



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

Burt, William L.

... Petition of the Boston,
Hoosac Tunnel and Western
Railroad Company.

1E2711
M4 A35

HE2771
M4A35

Petition of the Boston, Hoosac Tunnel and
Western Railroad Company.

CLOSING ARGUMENT

OF

GEN. WILLIAM L. BURT,

BEFORE THE

JOINT SPECIAL COMMITTEE OF THE LEGISLATURE ON THE HOOSAC
TUNNEL AND TROY & GREENFIELD RAILROAD,

TOGETHER WITH THE

TESTIMONY OF G. R. BLANCHARD,

ASSISTANT RECEIVER OF THE ERIE RAILWAY.

March, 1877.



HOUSE.....

.....No. 201.

Petition of the Boston, Hoosac Tunnel and
Western Railroad Company.

CLOSING ARGUMENT

OF

GEN. WILLIAM L. BURT,

BEFORE THE

JOINT SPECIAL COMMITTEE OF THE LEGISLATURE ON THE HOOSAC
TUNNEL AND TROY & GREENFIELD RAILROAD,

TOGETHER WITH THE

TESTIMONY OF G. R. BLANCHARD,

ASSISTANT RECEIVER OF THE ERIE RAILWAY.

MARCH, 1877.

MASSACHUSETTS LIBRARY

BOSTON:

**ALBERT J. WRIGHT, STATE PRINTER,
79 MILK STREET (CORNER OF FEDERAL).**

1877.

1

574275

MCS

Y9A9BLJ 010755477

A R G U M E N T .

If the gentlemen who compose the Committee will allow me one suggestion before I commence the matter of our own application, in reply to the position of Mr. Gooch, who represents the interest the Troy & Greenfield Railroad claims to have to redeem the Tunnel, I shall say now all I propose to say on that point, and it will then be out of the way.

Right to Redeem from the State.

The Commonwealth of Massachusetts, several years ago, undertook to complete this railroad and Tunnel, because the enterprise, as they regarded it, was too large, too immense in its expenditure, to be carried forward by any corporation or individuals. They found, as they thought, that the advances by the loans of the Commonwealth that were being made, so far from completing the Tunnel, would simply lead to this result: that this loan, having been expended, there would then be another loan required, and they themselves, having the bottom mortgage, would either be obliged to have the work relinquished entirely, or make an additional loan. They concluded to make an additional loan, but not to allow it to be expended by the corporation. They took a conveyance from all parties in interest distinctly, as mortgagees in possession, and for the purpose of completing the Tunnel and not for any breach of condition. The previous mortgage, which had been three times renewed,—for this mortgage, gentlemen, was first executed to the Commonwealth in 1855, and it has been executed to the Commonwealth four times,—that same mortgage covered all their property, real and personal, and all right over and over again. I shall have occasion to refer to that again, incidentally. Under that possession and under this condition of things, the State, in possession for the purpose of completing the Tunnel, has now completed the Tunnel and road.

But by the same Acts of the Legislature the Commonwealth reserved to this corporation the right in equity, at any time within ten years after the Tunnel was completed, to go to the Supreme Court and have all questions of amounts, have all questions of equities and legal rights, adjudicated. They could and can bring into court all parties, including the Commonwealth. I suppose that none of the gentlemen sitting at this table know the fact, that when the examination of the original vouchers for expenditures of the first loan was made, it was found that Mr. Haupt, instead of representing merely a contractor's interest, owned three-quarters of the stock of the Troy & Greenfield Railroad, and owned the Southern Vermont Railroad absolutely, and was the whole corporation in both States. He was receiving as contractor all the advances the State was making for the Tunnel, and when the corporations and Mr. Haupt and all released, it was supposed that the State had dealt with all parties in interest in fact and in equity.

They provided, furthermore, that Mr. Haupt himself should have a right to come as an injured party and apply for redress, which he did subsequently, and thus it was supposed that all parties were provided for. Now, they claim they are not, and claim a right to redeem. Now, a proceeding in the Supreme Court, under the law, is the only proceeding that will bind all parties. When Mr. Haupt, with the parties that he then represented, are brought into court, you can control them. He would not be bound by any "Resolves" or "Laws" or "Acts" you might pass, or anything you might enact, or by anything you might do. Neither would any one concerned in that railroad, in any manner or shape, no matter how worthy or unworthy their claim might be. But there is one tribunal that has ample power to compel the appearance of parties, the attendance of witnesses, and can discover and determine the facts. They may be shrouded in fraud, or concealed for purposes of profit,—reaching them all, probing the conscience of every man who appears asking for redress, and, standing for the Commonwealth as her own court, with ample jurisdiction and in simple justice, they will enter a decree that will bind all parties; they can make a decision we shall all be obliged to accept. This all will accept as just and right, whether it is satisfactory, or as we expected it to be, or not. That has been my feeling from the first; and when I have seen, at different times, attempts made to bring the question here before the Committee and before the Legislature as an objection (because it comes in that form), not only to the enterprise which I represent, but to any possible use of this Tunnel and the Troy & Greenfield—and as a means of tying up this Tunnel, so that the State, even in making contracts for its use, cannot charge what it ought, but is to charge,

as a mortgagee in possession,—when, I say, I have seen these attempts, I have felt that if this question was to be raised at all, it should be raised, not in the Legislature, where they can come year after year if and as long as they are dissatisfied, but in a court having ample jurisdiction and full power to dispose of it.

How came this before the Committee?

Now, do you think this matter is at all open to this Committee? If they could come here, why does not the Commonwealth direct the attorney-general to appear here, rather than to go down-stairs and listen to and resist the claim of Mr. Shanly for additional compensation for work done on the Tunnel? If you allow them to come before you in this way, claiming to have the Troy & Greenfield Railroad and the Hoosac Tunnel in their pockets, claiming to be the absolute owners of that property, costing \$17,000,000, without requesting the attorney-general to appear here to protect the interests of the State, it looks like almost complicity with a fraud. It is absolutely impossible that you can act in such a condition of things. It would be absurd to expect it, and they do not expect it.

Direct the Attorney-General to bring a Bill.

Let a Resolve be passed directing the attorney-general, in behalf of the Commonwealth, to commence at once before the Supreme Judicial Court an equity suit to determine the rights and equities of all parties to the Troy & Greenfield Railroad and Hoosac Tunnel, and the amount and the terms upon which the Troy & Greenfield Railroad Company are entitled to redeem. It is not only an important question, but a dangerous one. They claim to redeem by paying the \$2,000,000, but the sinking fund of the Hoosac Tunnel is already over \$3,000,000. Shall the State give them the Tunnel and the \$1,000,000 beside?

Boston, Hoosac Tunnel & Western Railway.

Now, we will, if you please, come to the more immediate matter of the Boston, Hoosac Tunnel & Western Railway. Now, what do we ask? These petitioners have come before you with many disadvantages (with all deference to the Committee), I must insist upon it, with not many advantages for a fair, profitable, and impartial hearing. You were exhausted by the long preceding hearing on Mr. Crane's petition. When I opened our case here, I was told by you at the outset that these petitioners represented an evident and admitted want. That nobody disputed, and it was not desired that we should introduce testimony. It was not desired that we should appear here to show, by either oral or record testimony, at length,

the imperative demands of Boston and Massachusetts for a through independent competing line to the West under the control and in the interest of our State; and yet, after putting in our case in a day and a half, for a full week I have sat here, and you have sat here, and we have heard from one corporation after another, from all the interests that have been represented here, whether it was the Poughkeepsie Bridge, or the New Albany Bridge, or the Troy Bridge, or the New York & New England Railroad, or the Fitchburg Railroad, or the Troy & Boston Railroad, or the Vermont & Massachusetts Railroad, or the pretended lessees of the Southern Vermont Railroad, no matter who it was, even to the *possibility* of a railroad in the shape of the Massachusetts Central, something that may some time be a railroad,—this “estate in expectancy” of a railroad,—we have heard from them all the absolute, positive assurance that we of Boston have got all that is wanted. Did they not all tell you so?

The Hoosac Tunnel Car Line sufficient.

You have been told, have you not, that we have a “car line,” a “freight line,” that will be developed so as to meet every possible usefulness of the Tunnel, and want and need of the State of Massachusetts through the Tunnel. Two thousand freight cars, costing, on an average, \$500 apiece, pooled in by the New York Central and their alliances, represent, Mr. Chairman and gentlemen of the Committee, the entire expectations and perfect realization of my brother on the other side who appears here for the Fitchburg Railroad. One million dollars worth of rolling stock that might be switched off on to the tracks of the Boston & Albany or of any other road, and kept there on six months’ notice (and there would be no redress), represents this great “Hoosac Tunnel Line,” for which Massachusetts has spent \$17,000,000, and kept the Legislature in session for more hours and days, for more weeks and months, than any other single object for the last 15 or 20 years, and for which one-third of all the taxes of the State are levied to-day. Now, I do not believe it. I know you do not believe it. I know it is put forward here merely as a blind, a shield, to ward off our demand, and what we are determined Boston shall have.

Mr. TORREY. I do not want to interrupt you, and I would not, if you were not very far out of the way. You have only got it one-tenth what they claim is the possibility of this new line. The evidence was, that next year they expect to carry 1,000,000 tons of freight.

Mr. BURR. They said, gentlemen, that this line had 1,800 cars.

The witness said that they intended to increase the number to 2,000. Taking the 2,000 cars, I said they would cost \$1,000,000, at an average of \$500 a piece, and that was the entire and absolute investment of the Fitchburg Railroad, and all these twenty lines together, in what is called the "Hoosac Tunnel Line," and I said that they employed counsel, and they came here to represent that. I was going to add something which I think will relieve my brother's feelings. I know he don't believe it. Anybody connected with the Fitchburg Railroad would be ashamed to have you believe that that was the extent of the capacity of that road to do business, and meet the wants of the public through the Tunnel, which they expect, and reasonably expect, should be provided for. That was done at the dictation of the New York Central Railroad. It was done to have you understand that the New York Central Railroad and their arrangements did not prevent freight from coming through the Tunnel, and you would get "ever so much of it" one of these days. The New York Central Railroad can deprive the Troy & Boston Railroad absolutely of every pound of freight, and the Troy & Boston, in their turn, can deprive the Tunnel of every pound of freight and of every passenger, just as she is depriving it of a through line of cars to-day, and you have no redress. The testimony is unqualified, unanswered and unexplained, and none of the counsel who have appeared here have attempted to explain it.

What Vanderbilt demanded.

Mr. Stearns, whose management has been wise, thoughtful and prudent, relatively, when dealing with the Commonwealth, went to New York and told Mr. Vanderbilt, "You cannot have those cars excluded from running over the Fitchburg Railroad. While we are part of the Hoosac Tunnel line, the Commonwealth of Massachusetts comes in between, and if you had an exclusive contract over our road, you never could hold it through that Tunnel." Mr. Vanderbilt is not the most unwise man in the world, and he quietly goes to my friend of the Troy & Boston Railroad, who always comes to Boston when the Tunnel is to be looked after, and says, "You have got an offer from Pullman & Dixon for a through line to Boston, haven't you?" "Yes, sir." "Well, you cannot run their cars over the New York Central road, you know, Mr. Robinson?" "Yes, sir; I know that." "I want you to say to Mr. Pullman, 'You cannot run your cars over the Troy & Boston Railroad and so you cannot get them to the Tunnel.' That disposes of that matter. Now, I want you to contract exclusively with Mr. Wagner for his line, in which we are interested in this way: Mr. Wagner runs cars over my road, you understand, Mr. Robinson?" Mr. Robin-

son understands it, and they sit down in Mr. Stearns' office and make an exclusive permanent contract (while other railroads are there waiting for an answer) for the running of the Wagner cars, which have the exclusive right over the New York Central Railroad. Thus, without Mr. Stearns' help, the Troy & Boston Railroad have excluded from Boston all other cars that stand ready to come. Now, if such things as these are the result of the visits of our friend of the Troy & Boston Railroad to Boston, I pray that he may not come often! The State of Massachusetts has spent too much money on this Tunnel to permit such things. She stands to-day with an indebtedness of a hundred millions, including all debts of her cities and towns, and seventeen millions of this entire indebtedness of the Commonwealth is in the Hoosac Tunnel. We are paying our taxes for it to-day. The interest on this Tunnel annually is more than the entire net earnings of the Boston & Albany Railroad for all the freight they carry on their entire railroad annually.

The Troy & Boston Railroad asked to join.

It was in view of such fact that I went personally, as Mr. Robinson will tell you, last spring, to him, and said to him, "The business men of Boston desire an independent through line to the West. Will you and your railroad join us? Will you act with us? Will you help make, what you have always promised indirectly and directly that you would?" Of course he wouldn't. Why? Because he could not! Right over his back stood the New York Central Railroad that furnished every ton of his freight. He was in a combination with them, in which they owned one-half and he owned one-quarter. He was under an agreement with them, by which he went out on their tracks to the West and out on their tracks to the South, and he could not do it; and he wants you and the State of Massachusetts to sink into the arms of the same alliance, does he?

An "inchoate State."

He comes to this Committee and asks them to refuse these Boston men because they are a New York corporation,—God save the mark!—an "inchoate" corporation, he says. That is one of the things that I did not understand. He explained it, as he thought, by saying that it was in an "inchoate" state. What state under heavens that is, whether it is the state that the Troy & Boston are in with reference to the New York Central road, or the Massachusetts Central, or some other road, I do not know. But I beg my friends to believe, and I beg this Committee to believe, that whatever state it is in, it is in the best interest of and in loyal alle-

giance to the State of Massachusetts. I have no enmity to the Troy & Boston Railroad. Like all railroads and all corporations, it serves those who control it, and so does the "Hoosac Tunnel Car Line."

We Ask Nothing New.

Now, gentlemen, the Fitchburg Railroad and the Troy & Boston Railroad have been here before. Your memories are only of to-day, and reaching back to Mr. Crane's hearing. But the memories of this State House are long and also prolific. I am going to ask your pardon while I read a few passages to show you the position that the Fitchburg Railroad have heretofore taken in regard to this same matter of a through independent competing line to the West. And I want to say, before reading them, that these petitioners whom I represent have come here following exactly in the course which the Fitchburg Railroad Company have marked out. We have come here doing exactly what the incorporators of the Hoosac Tunnel in 1875 proposed to have done, with this single and only exception. We propose to do what they did and as they did, save that we propose to do it with private capital, to do it ourselves, as a business enterprise, and not at the expense of the State.

Memories of the Troy & Boston Railroad.

The Fitchburg Railroad were brought here in 1873, on the petition of the Troy & Boston Railroad, which I suppose then may have been in an "inchoate state," because I perceive by the petition they presented that they fell into very many of the obnoxious conditions that they accuse us of being in to-day. They came here and asked for a consolidated line from Troy to Boston. That is about what we have got to-day by the Hoosac Tunnel freight line. When they asked for it, the same worthy counsel who is sitting here and finding fault with our bill, proposed a bill, his "little bill," and I want to show you what he proposed to do. He is the gentleman who raised the question in regard to the "confiscation" (as my friend calls it) of their road; the *confiscation* of the property that has cost them so much. This Troy & Boston road, as I shall show to you by the testimony of Mr. Stearns, who was then president of this Fitchburg Railroad, and was bitterly opposing his present allies and friends of the Troy & Boston Railroad, stated that road was in so dilapidated and infirm condition, that it did not own as much property as its debts ought to represent. Its real value amounted to less than nothing. But it had "great expectations," which Mr. Stearns did not propose to increase by having it added to the Fitchburg Railroad. In that, I can sympathize with him very well; and

our poor corporation, "inchoate" as it is, does not want any such alliance. I am willing my friend should have his 34 miles of road, with his \$3,700,000 of capital, if he wants it. I have no objection to it. It could not be better applied than by putting it where it is, he thinks, and if he keeps it and uses it in the interest of Troy, and not to the detriment of Boston, and not to the detriment of our own people, I shall not care.

Troy & Boston Railroad Finances.

As I am referring to this document (Reports of the Hearings of 1873), I will refer to it now for a quotation from the returns of the Troy & Boston Railroad. As long ago as 1873, they had paid in about \$1,500,000, and had a debt of \$2,032,000. After going over their statement, it comes to this beautiful sum-total. They had created a debt of \$3,631,000, of which \$1,241,630.37 was returned to the State of New York under the head of "unaccounted for." This is the railroad we are proposing to "steal"! Now, if my friend thinks that we propose to steal that road, I beg him to go home, even if he should have to leave before I close my remarks, with the most entire, blissful, and childlike trust and confidence, that we shall not. Now, let me show you how this Troy & Boston came here in 1873.

Troy & Boston Railroad "Little Bill."

Here is their "little bill," and my brother, whose virtuous indignation is aroused against us because we propose to do his vigorous and wealthy corporation so much harm, put in this provision: "If the Fitchburg Railroad Company neglects or refuses"—I should not wonder if I got some of the language of my bill out of this—"to pass said vote to unite and consolidate the said companies with each other and with the Commonwealth, as aforesaid," then what? This road is "authorized to extend its railroad from a convenient point at or near the present terminus of the line of the Vermont & Massachusetts Railroad, in Fitchburg, by some direct and feasible route, to said terminal depot in Boston." This was to be done by a New York corporation.

And did he not tell you they were going to give everybody an equal and "fair chance" over this beautiful road? Let me read this section:—

"SECT. 17. The said consolidated corporation shall not receive from passengers or freight, to and from other connecting railroads, greater rates for passing through the tunnel than in proportion to the extra cost of the tunnel over and above ordinary railroad construction."

I think you will all agree that that would have let a great deal of freight through the Tunnel!! All the business that came over the road, the Fitchburg Railroad was to furnish terminal facilities for and at a pro rata, and then the Tunnel part of the line, being four miles, was to be charged for as much as it would cost to build a single-track road from Boston to Albany—200 miles. This is worse for traffic than the grades of the Erie Railway, worse than the grade even of the Troy & Boston, or those of the Delaware & Hudson, which my brother suggested as being insuperable obstacles to a business line through the Tunnel.

Fitchburg Railroad Opposed It.

This Troy & Boston Railroad, the Fitchburg Railroad looked upon as a countryman would a ghost. They shut their doors against it, as my friend Stone would against a "roaring lion" that wanted to come into the Massachusetts Central Railroad lobby. The Fitchburg Railroad, gentlemen, much to their credit, I was going to say,—but no, it did not amount to anything more than ordinary sagacity,—opposed it; and I will show you why they opposed it. And in that my brother will join me, for it is very interesting. They opposed the Troy & Boston Railroad and my friend Mr. Allen's bill, because they were expecting just such a corporation as we now offer.

Prophecy and Fulfilment.

They were looking for it as something that was promised, and something that was sure to come. When you look into it, you will find that if ever prophecy, placed in the mouth of counsel three years ago, was fulfilment by actual fact to-day, and promises became realization, it is in the bill we have brought here to-day in fulfilment of the prophecy and realization of the promises of the counsel of the Fitchburg road. Mr. Derby says these things in behalf of the Fitchburg Railroad. I read from the twentieth page of the third hearing before the committee on railways on the Hoosac Tunnel Consolidation in 1873:—

"Mr. DERBY. I represent the Fitchburg road, who wish to be heard at some stage of the hearing.

"The CHAIRMAN. We will hear you now.

"Mr. DERBY. I have the honor to appear here to-day in behalf of the Fitchburg road, and advocate consolidation upon a larger scale and more comprehensive plan, and point out the deficiencies of the plan already presented. . . .

"I would first deal with the suggestions which were made here by Mr. Allen, and I take the ground that the State of Massachusetts, as well

as the Fitchburg and Vermont & Massachusetts railroad companies are *as free as air* [where are those contracts now?], so far as any arrangement to terminate this road at Troy has been made. There are no agreements leading to that, except such as have either been set aside by the course of events, or such as do not bind either the State or the railroad companies to which I have referred."

We get a Recorded Opinion of the Fitchburg Railroad.

Now, Mr. Derby is a very conservative man, and the Fitchburg Railroad is a very conservative corporation, and if you get him and get that corporation committed to such an important opinion as that, I think we can stand safely. I know we shall before I finish reading this.

"At the time when this road, the Troy & Boston, was established, Troy was considered to be one of the objective points, because the canal terminated there, and carried two-thirds or three-quarters of the freight which came through the State of New York.

"The Erie Canal was the great avenue of trade; the railroads of the State were almost a sealed book; but now that is all changed. Lumber and corn remain upon the canal; but all the valuable freight, such as seeks the railroads, is carried by the New York Central and the Erie railroads. The canal has come to be a mere dragger, a carrier of coarse freight, and remains as it was twenty years ago, or with very slight increase. So that now the objective point is not Troy, to meet the canal but it is to meet the railroads, which are carrying some ten millions of tons across New York. That is one great thing. Then there was no bridge at Albany, and Troy was looked to because there was a bridge at that point.

"I come now to my third point, which is this: That there was at that time a survey for a railroad from the Eagle Bridge, upon the Troy & Boston road to Saratoga. We were looking westerly and northerly to the vast traffic upon the St. Lawrence and upon Lake Ontario, and Sackett's Harbor, which, during the last war, grew up to be a great part of the country, is delineated upon the map by Mr. Edwards in his report, which I shall bring here and put into the case before your sessions close, as the terminal point. Therefore, not having bound ourselves to Troy, having said we were going towards the lakes, and the lakes and the canals having changed their relative positions, there are strong reasons why we should make the objective point upon the lakes."

Short Memory of the Fitchburg Railroad.

In three years the Fitchburg Railroad forget all this. When we come and propose to make Lake Ontario an objective point, they wonder how it is that the Troy & Boston Railroad, or the Hoosac Tunnel line, with its two thousand freight cars, do not satisfy the craving wants of the people of Massachusetts, and answer the promises that have been so liberally made. They forget that Lake Ontario is

still in existence ; its millions of tons of transportation are not worth a farthing in their estimates, after our Tunnel is finished ! But it grows stronger as we go forward :—

“ Another reason for this has sprung up. At that time, when we located, most of the railroads chartered in the State of New York were Boston railroads. The Rochester road, I think, originated in Boston. The Utica & Schenectady and the Buffalo roads were aided by Boston. Some of our largest capitalists, Mr. Wild, Mr. Thayer and many others, were largely interested in them, and their transfer offices were here. But in a little while these roads ceased to be Boston roads and became New York roads. They were consolidated, and finally the whole line from Buffalo to New York became a New York enterprise, known as the New York Central & Hudson River Railroad. We were no longer looking to friends but to foes, competing for the trade of the West with our Boston roads by lines beginning at Lake Erie and Troy, and terminating at the city of New York, and if we came to Troy we were coming into connection with them ; we were coming there to unite not with a Boston but a New York line, which had been watered to the extent of 80 per cent. ; ” [think of that from the Fitchburg Railroad thrown into the face of their present friends !] “ we were placing ourselves and the State of Massachusetts in a state of dependence upon Mr. Vanderbilt who watered the stock. All these, gentlemen, seem to me to be reasons why we are precluded from consolidating the Troy & Boston road with this line. We must look to the interests of Massachusetts, rather than to the interests of New York.”

Codicil to the Will of the Fitchburg Railroad.

You have seen in an old farce, perhaps, the expression, “ What a beautiful thing a codicil is,” where one gentleman having had a large estate left him alone by will, a poor fellow being left out entirely, finds by mere accident, through his attorney, that the deceased had made a codicil, and the codicil left the whole estate to him. I must say, that the rejoicing of that man, as it appears in the farce, when he exclaims “ what a beautiful thing a codicil is,” is no greater than ours, when we find this codicil to my learned brother’s representation of the will of the Fitchburg Railroad. It is just exactly what we expected from the testator in this case. We knew he was going to take care of us. He had promised us, and we could not think he was going to cut us off just as we were ready to receive his favors. He had just aided the State to spend her money on the Tunnel ; it was finished, and we could not believe that he would cut us off and leave us with all the provisions he had made unfulfilled.

Mr. Derby goes on, page after page, to speak of this terrible Troy & Boston Railroad. He tells you how much capital they have got, how much debt, and how little road ; and tells how unfortunate

even a through line, or any line would be that should join with them. He would have thought still worse of the farce of a "car freight line." Then he says :—

"These are the objections on our part to having this road which came forward here without any adequate capital, within eighteen months, and proposed to purchase the tunnel, either for itself or for some one who stands behind it."

I thought *we* were the men who were going to steal the Tunnel. I did not suppose that it was the Troy & Boston that had tried to do it three years ago, but you see they did. The Fitchburg Railroad is the one that says so.

Now, our friend Judge Thomas was at this hearing, and he says :—

"I understand that the Fitchburg Railroad is opposed to any consolidation with the Troy & Boston.

"Mr. DERBY. I prefer to have the consolidation made with Massachusetts roads, and then to lease or make arrangements with the Troy & Boston road. We are opposed to making the Troy & Boston road the basis of consolidation under these circumstances.

"Judge THOMAS. You are opposed to consolidating with that road ?

"Mr. DERBY. My preference is to have that road, rather than consolidating with it.

"Judge THOMAS. I speak of the position of your clients, the Fitchburg road ; that road appeared here to-day, as I understand it, opposed to any consolidation with the Troy & Boston road.

"Mr. DERBY. Record it so, if you please. I believe I am correct in so saying, I object to it."

Now, let me read the fifth point, and you will wonder I have delayed so long, when I had this in store :—

"The fifth point," says Mr. Derby, "which I propose to submit to this committee, and through them to the State, is that the objective point to which we look to-day, is Oswego, upon Lake Ontario, with its ten elevators with a capacity of 2,000,000 bushels, with its 20,000 population, with its capacity to turn out 8,000 barrels of flour, standing as it does at the outlet of seven lakes, all those interior lakes of New York, with probably the finest water-power in the United States, with a hundred feet of fall from these seven lakes down into Lake Ontario, being to-day the terminus of a railway that will be finished by August, coming down from Niagara Falls along the line of the lakes, upon the ancient level shore of the lake to that point. Oswego connects by the new bridge at Lewiston with the Western and Grand Trunk roads, with the Michigan Central, and so with Chicago ; Oswego, I say, is now our objective point. And when you get there and make connection with that line by means of an intermediate line, we shorten the journey to Chicago more than 20 miles from

what it is to-day by Cleveland and Toledo, the route followed by the New York Central Vanderbilt line."

Now, gentlemen, I do not know how I could have employed Mr. Derby as counsel, and witness, too, so cheaply as to have hired the reporter to write out his argument, and allow me to read it to you, as I have done. I do not know how I could better show the condition, or the position, of this Hoosac Tunnel and its promised and reasonable use, than by taking just such a document as this, published at the expense of the State when numerous and anxious hearings were had with counsel, the first in the Commonwealth, with the determination of all to come to something definite and fixed with reference to this Tunnel and connecting roads. You see what the Fitchburg road determined they wanted.

Now, that there may be no doubt about it,—because you will see how appropriate this is, as I said, if it had been prophecy and fulfillment you could not have it plainer,—Judge Thomas, on the 27th page, says:—

"I understand that the Fitchburg road wants a line to Oswego?"

"Mr. DERBY. It wants an independent line, and one of the objective points is Oswego, and it comes here to make both."

Fitchburg Railroad on Our Side.

Now, gentlemen, I hope I have not tired or wearied you with these extracts. I have now the Fitchburg Railroad on my side! I have shown you what the learned counsel for that corporation, at that time, under instructions, thought of the Boston & Troy road. Now, President Stearns, who is an exceedingly careful, methodical railroad man, and if you examine his books to ascertain the cost of his road and equipment, you will find that he so keeps his accounts that he knows how the Fitchburg Railroad stands; he knows it accurately; he is watching it carefully; he is doing it systematically, as a business; he took up these papers and looked them over, and he came to the conclusion, very decidedly, that this Troy & Boston Railroad, that we now have before us, was utterly unfit, in any way or shape, to come into any combination with a line to Boston. It was so poor that it could not even have raised the capital to build its proportion of 2,000 freight cars, although they cost but \$500 apiece; and in making up their amount of capital, that road had \$439,729! Mr. Stearns says they kept on until they had, in 1871, a single-track road 34 miles long, into which they had put \$3,567,000, and they have increased their capital, in the last five years, \$991,000, and not a single mile of road to show for it! Now, we shall not build any such road. We shall not run any freight lines, even, with

any such company. I can only thank my friends, that, knowing that we were coming here in the immediate future, when this Tunnel should have been completed (and not waiting for the State to lay a double track, costing, perhaps, several millions more), we can thank them for furnishing us with such an admirable store of arguments and facts as are contained in this document.

The Witnesses Change Sides.

Now, you will observe, I have changed my position somewhat. These two gentlemen are my strongest witnesses. We do not want any better indorsement of the course, plan and purpose laid down than I can get from them, both of them starting out with this Tunnel enterprise from the beginning, and both perfectly familiar with the detail of its progress. If our bill wanted any justification, I would simply refer to what our opponents themselves undertook to do, and the reasons and facts, as I have done.

Corporators' Report.

Now, let us take up the document I have here, which is excellent reading. It is the report of the corporators of the Boston, Hoosac Tunnel & Western Railroad Company, 1875. I shall only turn to detached sections of it, and when I have read them, you, as gentlemen who were appointed to make this examination, and listen to our petition, will be interested, I know, to follow out the result. By referring to this report, you will observe that, after examining the matter carefully, these gentlemen came to definite conclusions on all the points upon which our bill rests. I will read first from the corporators' report, on the 10th page:—

“ If the Tunnel line is to be a mere duplicate Boston & Albany Railroad, twenty miles farther north, running between the same termini, and competing under a similar management for a share of the business supplied by the same feeders, in such case the questions of organization and management are greatly simplified. If, however, it is to become an agency towards the development of some new and larger system of transportation; if it is to introduce into the State more perfect facilities for carriage; if, in a word, it is ever to justify the enormous cost of its construction,— then these questions of organization and development will probably be found far more intricate problems to deal with. The first investigation we had to enter upon related, therefore, to the new and especial uses to which the Tunnel line could be put, now that it was practically completed. Was there any work of transportation for it to do which was not now done over the Boston & Albany road? Was there any new element or power which it could introduce as a competing force into the carrying business of New England? These questions definitely settled, it would

probably be found that subsequent details were almost in the nature of inevitable sequence from them."

And so they looked over the line. They found, first, that—

"The Boston & Albany Railroad forms a close connection at Albany with the Western railroad system over the New York Central's tracks. It is the most valuable outlet of the last-named company, and its relations with it are of the closest possible description. A rival line to the Boston & Albany, connecting with the Central road, might possibly enjoy equal and impartial advantages with it, but it could certainly expect no more; it would open no new channel of trade, it could introduce into New England no new elements of competition."

The testimony of every witness here is to that point, and corroborates it fully. You saw this at every point and expression of Mr. Robinson's testimony; you saw it at every point in the testimony presented by the Fitchburg Railroad.

"Can, then, the Tunnel line, having at last reached the Hudson River, lead to any results which have not been brought about already? . . . There are now four of these channels (all-rail connections) completed and in use, and yet others are in course of construction, or projected. The completed lines are the New York Central, the Erie, the Pennsylvania and the Baltimore & Ohio railroads. The projected lines are two in number, one following the south bank of the Mohawk River, and the other connecting Oswego, on Lake Ontario, with a point near the head-waters of the Hudson. One only of these several and competing lines is now brought into an all-rail connection with Massachusetts through the agency of the Boston & Albany road. The mission of the Tunnel should be to bring into the State as many of the others as possible, and the lines operating through it should be organized and developed with that result kept steadily in view.

"In order that the most definite possible information might be obtained as to what connections were feasible between the Tunnel line and these Western routes, the corporators placed themselves in direct personal communication with their leading officials, having interviews with Mr. Vanderbilt, president of the New York Central; with Mr. Ramsey, of the Albany & Susquehanna; with Mr. Dickson, of the Delaware & Hudson Canal Company; with Mr. Jewett, of the Erie, who represented also in this connection the Baltimore & Ohio interest; and with Messrs. Scott and Cassatt, of the Pennsylvania Railroad. It is believed that in this way we fully possessed ourselves of the views of each of these gentlemen and of the companies they represented.

"*The New York Central*.—From Mr. Vanderbilt, both directly and indirectly, assurances were received that no discrimination whatever should be made by the Central road, as between the Boston & Albany and Tunnel routes [that testimony we have had here to-day; we have had it for a week past], but that both should receive every facility for the inter-

change of business, and be treated with absolute impartiality. Mr. Vanderbilt took the ground that the New York Central Railroad was purely a carrier for hire; that the object of those controlling it was to make money. . . .

"These assurances seemed to be satisfactory, so far as they went. But, even if they are carried out both in the letter and the spirit, they could secure to the people of Massachusetts nothing they did not already have,—nothing new could be anticipated from this quarter."

They then went to the Delaware & Hudson Company, and the Pennsylvania Railroad, and found both were ready to coöperate. Mr. Ramsey, president of the Albany & Susquehanna Railroad, was ready to coöperate with his road, through which a connection could be made with the coal-fields. This road has now become a part of the Delaware & Hudson Company roads. Mr. Jewett, the president of the Erie Railway, gave assurance of "arrangements for through business in no respect inferior to those existing between the Boston & Albany and the New York Central, which should go into effect as soon as the Tunnel was in condition to coöperate in them."

In other words, gentlemen, the very things that we have suggested, the additional connection and alliances sought by our bill, are more than verified by the examination and report made by these commissioners.

The gentlemen and interests who are opposing us, undertake to say, also, that we should not have this new road, because the grades were objectionable on a portion of the line after we left our own road at Troy. But observe, this report says:—

"As respects the grades, the two routes, each considered as a whole, do not greatly differ,—the New York Central portion of the one possessing decided advantages over the Albany & Susquehanna sections of the other, which again is in a great degree counterbalanced by the similar advantages of the Tunnel section in Massachusetts over the Boston & Albany. On the 340 miles from Binghamton to Boston, the total rise and fall is 3,688 feet on the Tunnel and Susquehanna route, as compared with 3,154 feet for an equal distance on the Albany and New York Central. Under the *pro rata* system of carrying freights, however, the burden of unfavorable grades falls wholly upon the company which has to surmount them, and not upon the members generally of the combined line."

That is precisely what Mr. Blanchard said, that the difference of grade would be overcome by the parties operating that part of the railroad.

"*Eastern Terminus of Lake Navigation.*—The eastern terminus of that navigation, so far as the Tunnel is concerned, would seem to be at Schenectady, rather than at Oswego. Schenectady, though 17 miles west of

Albany, is but two miles farther from Boston by the Tunnel route than Albany is by the Boston & Albany; in other words, to Schenectady, as a common point going west from Boston, the Tunnel line gains 15 miles over the Boston & Albany."

Now, what can we have? What is open, in their opinion, for Boston and Massachusetts?

"From this general survey it would, therefore, appear that the field open for development in the interests of the people of Massachusetts through the Tunnel line, as distinct from that hitherto developed by the Boston & Albany, is of the most ample description. Leaving the New York Central wholly out of the question,—treating it as if it did not exist,—the connections ready for immediate use include both land and water routes stretching to every part of the interior, and capable of placing the Tunnel line at once, so far as through business is concerned, on a footing in no respect inferior to that of the Boston & Albany. Through the agency of the Tunnel route, if properly and energetically managed, eight or ten thousand miles of track and hundreds of millions of additional capital, may be brought to bear as a competing force to do the transportation of Massachusetts."

What the State Can Get.

Gentlemen of the Committee, with such a promise as that lying open before us, on the careful examination made by these gentlemen whose names are appended to this report, and whose names are a voucher for their knowledge, for their integrity, and for their fidelity to the State,—William B. Washburn, who was the governor of the State under whose administration so many of the expenditures connected with the Tunnel had been made, and who had been identified with the Tunnel and had interested himself very much in the extension of that line,—Wm. B. Washburn, Chas. F. Adams, Jr., P. A. Chadbourne, S. M. Crosby, and S. B. Stebbins,—I say, with such a promise as that, is it surprising, now the Tunnel is completed and opened for traffic, that some effort should be made to realize the benefits lying so immediately within our reach?

Grades and Summits.

I cannot do better than ask your attention now to the railroad profiles on the wall, which will more than justify all that this official report has stated. That blue line at the base represents tide-water. The green line is the Boston & Albany Railroad, and the black line is the line through the Tunnel; both of those lines beginning at the Connecticut River, one at Greenfield, the other at Springfield, and both terminating at and near Schenectady. The one showing the shortest line on the map, extends four miles beyond Schenectady,

and is twenty-two miles shorter than the other line from Boston to Schenectady. The summit on the Tunnel line is 838 feet. The same summit on the Boston & Albany line, which goes over the mountain, is 1,450 feet. This is the Washington summit, running from there to Hinsdale.

I stated to you at the beginning, and I will verify it if you look at that map, that the obstruction to traffic coming over the New York Central Railroad was greater before it reached Pittsfield—before it had got into the valley of the Housatonic. They have overcome more summit, more opposing grade, more elevation (950 feet, on that line, before they have got to Pittsfield), than there is on the Tunnel line to Greenfield. They have 1,450 feet more before they reach Springfield, while on the whole Tunnel line they have only 838 feet to overcome, and there is 150 feet of that above tide-water when they begin. There is not such a line across the continent; there is not such a line in Europe. There is no such line from the deep water of these lakes, covering thousands of square miles, interlacing eight or nine of our States and furnishing a free communication between deep water at Oswego and Fair Haven and tide-water, as there is from tide-water at Boston to those lakes. Even with the Troy & Boston put into the line, with its grades greater than ours, and its line of road lengthening ours, it is very much more favorable, very much more advantageous than the Boston & Albany.

What is the Line West from the Hudson?

Now, what is to come of this? You might as well have built this road over the top of the Hoosac Mountain, if you are not to go to and beyond Schenectady, or if you were only to run a line where that dotted line (Crane's line) is, with summits as great as those, 1,400 feet, to be overcome as that line goes towards Lake Ontario. The only line that is open to us to-day, as a practicable, feasible, business line, is a line through the Mohawk Valley. However much you may want a road in competition with the New York Central Railroad, you can never get it only as you get it through some corporation like ours, that comes in and goes out, having no freight to be stolen, having no cars to be taken away, having no community of interest to serve. You have got to take just such a corporation as ours is. If the Fitchburg Railroad was the most enterprising in the world; if instead of representing trust funds it represented men who should exceed in comprehensiveness of judgment and farsightedness of policy President Vanderbilt and President Scott and the Erie Railway combined, they dare not use another railroad,—if it was built they dare not lay their hands on the Mohawk Valley. It would deprive them of every passenger to connect, and every

ton of freight that finds its way over the Troy & Boston Railroad toward Boston. We are here, therefore, not only in the service of Massachusetts and of Boston, but in the service of these very roads, to open for them a route that they can never get in any other way, or by any other agency.

You see, we are saving the State and the Fitchburg Railroad.

This book (Corporators' Report) contains a vast record of facts gained by careful examination and surveys. It justifies to the fullest extent the propositions that I have made to this Committee, representing as you do the Legislature of the Commonwealth of Massachusetts. You, gentlemen, if I understand it aright, are the eyes and the ears of the Legislature, to hear these facts, to aggregate these results, and, in view of the vast importance of the question we are considering, present them to the Legislature in the most intelligible and comprehensive way. We have come to help you. We have come in the interest of the State. We have come not any more in the interest of the Boston, Hoosac Tunnel & Western Railroad, than in the interest of the Fitchburg Railroad. We have not come (I make no concealments) in the interest of the Troy & Boston road to build a road down to Troy, nor to Albany, nor to an Albany new bridge. We have come in the interest of a through line to the West, and I will tell you why we come first before this Committee.

What the Erie Railway Wanted.

The Erie Railway, in its new reorganization, found themselves with a narrow-gauge track in addition to their broad gauge, extending from Waverley 200 miles to Lake Erie, to Buffalo, to the Suspension Bridge, to the International Bridge, and to all the connections of these roads in Canada, and to the Lake Shore & Michigan Southern Railroad. That connection could be extended by laying less than 40 miles of third rail to Binghamton; and when brought to Binghamton, the line was open thence to Massachusetts. Before these gentlemen returned to London to complete their reorganization, they hoped they could give to Boston, over the Fitchburg Railroad, an absolutely independent narrow or standard gauge route from the far West in competition with all other lines; while they could not narrow gauge their route to New York, they would narrow gauge it to Boston if the Hoosac Tunnel interest and the Commonwealth of Massachusetts would allow them to come. They asked no exclusive rights, they claimed no privileges, they wanted no promises even. All they wanted was such legislation as would enable them to join the interest that they had already invested with

a line through the Hoosac Tunnel, and put the Erie Railway into Boston with a narrow-gauge connection that is as short from Boston to Chicago as it is from New York to Chicago by way of the New York Central and Michigan Southern. Was there ever such an opportunity opened to Massachusetts?

An independent Erie narrow-gauge to Boston.

Within the time between this and July, under our bill, I will agree with the gentlemen who are represented in this petition before you, to place into Boston a competing through line of freight and passengers from all the great cities of the West. We have dreamed of this possibility as we were spending our millions on the Tunnel. It has been the subject of editorials in the newspapers; it has been the subject of legislation; it has been the subject of anxious thought and study by those who were interested in the prosperity of our State,—how were we to derive a substantial benefit from the Tunnel? how were we to reap the reward of the large expenditure we were making? To-day it is open to you; and by whom? By the men of all others who represent railroad wisdom and railroad knowledge, combined with exceeding circumspection and implicit—as you might say, implicit—reliance in their own minds by actual experience on the results that they can develop.

Knocking at the Door.

Mr. Blanchard says in his testimony, "We come knocking at the door. We want to supply a through line with business for Massachusetts. We know nothing about the squabbles of rival corporations. We know nothing about the complications of any particular bill. We want to unite with this road. And I will say to you, that I promised Col. Scott, that if he did not use but 10 miles of the road, he should go over that road to carry his lines to the Tunnel and into Boston. He says, "I will say now, that we will take this road, and it shall be as open as the Tunnel itself to every road that applies to go over it." He says, "I will take any line I can get." He says, "The Fitchburg Railroad, from the Tunnel down, and through the Tunnel, where it is under their control, have offered me such a line, and I commend them." And he did commend them in the fullest manner, and without the least reserve. If there ever was an honest, square, fair statement, it was the statement of Mr. Blanchard. He is a director in the Erie Railway, coming from New York and presenting himself here, serving the best interests of that road and in the interest of Boston, representing a line of 970 miles in their own control, with no narrow-gauge

connection with New York. He told you that the difference of distance did not compare with what he was encountering and overcoming every day on every competing line into New York. He told you it did not compare with the distance they were competing against in getting into Philadelphia, and in getting into Baltimore. And he says, "We have come knocking at the door, to open into Boston the same competing lines we have opened in Philadelphia and New York, and we only ask you to open it. We do not ask to have anybody excluded."

A Free Line to All.

That was the agreement under which I drew the provisions of this bill; and when I came before you, I told you that the provisions of that bill should be made in every respect safe for the State; that they should be made in every respect to answer every objection of any man who could come here and desired a perfect bill; that we were absolutely honest in our intentions; that we believed we could accomplish what we proposed to you, and that we would verify it before we got through. This I said in my opening remarks. Has not Mr. Blanchard confirmed this in his own quiet, unanswerable way? And do you not believe him?

Why not Open the Door?

And if you believe Mr. Blanchard, is there a man who sits to-day around this table as a representative of the Commonwealth of Massachusetts who does not feel in his heart both an anxiety and obligation to open that door? Do you not owe it to yourselves? Do you not owe it to the Commonwealth, that her industries may prosper in every branch? Do you not owe it to the over-taxed and burdened people who are to-day suffering on account of the expenditure on that Tunnel, by an annual levy to pay the interest? I know you feel so. They may say we are not going to build the road. They may come to you with the ten thousand objections that such men may raise, but it is not possible that they should weigh with you. I will tell you why. These gentlemen of Boston who represent this railroad organization in New York are here over their own signatures. I said to them: "Your names are known. They represent railroad experience and railroad management; they represent capital; they represent influence and position.

These are the Men.

If you will come together, Mr. Ames, Mr. Alley, Mr. Atkins, Mr. Pullman, Mr. Blanchard, Governor Claflin, Dr. Howe, Mr. Candler,—if you will let us join this force together, it will have

such a representative power in the railroad world, that next July will see an independent line of narrow-gauge, standard gauge road from the great West to Boston. And if you will do as you have promised me you would, as you have promised the people you would, we can have a through line from Lake Ontario also, giving the Tunnel all the business of the great lakes; grain coming down to Oswego from all the shores of Lake Michigan and even Lake Superior, at five cents a bushel, and put into Boston for foreign shipment at one-half what it can be put into the city of New York by any possible line of railroad. All we want of the Erie Railroad is that she will join in that; and if you, President Dickson, and you, President Pullman, will join in that, we will take you with your coal, with passenger lines, and with all your connections, and we will make the Hoosac Tunnel what it was intended to be; to wit, the means of securing an independent line to the West, operated upon principles that shall be equal and just to all." These men, gentlemen, have signed their own names, in their own handwriting, to this paper, which has been placed before you. Every name that appears on this petition has been signed by each man also to this statement.

I will read it, as the original makes a part of the records of the Senate and House.

To the Honorable the Senate and House of Representatives of the Commonwealth of Massachusetts.

The undersigned, members of the board of directors of the Boston, Hoosac Tunnel & Western Railway of New York, respectfully represent that they have secured a charter and organized a corporation under the laws of the State of New York, for the purpose of constructing, maintaining and operating a railroad from the westerly end of the Troy & Greenfield Railroad, at the boundary line of the State of New York, to Lake Ontario, running through the Mohawk River Valley.

That they have made this organization for the purpose of securing an independent through line of railroad from tide-water in Boston Harbor to Lake Ontario, utilizing the Hoosac Tunnel and Troy & Greenfield Railroad for this purpose, with intermediate connections at various points of great value, more especially at Schenectady, with the Erie Railway, and the anthracite and bituminous coal-fields of Northern Pennsylvania, by means of the Delaware & Hudson Company's road from Schenectady to Binghamton, in the State of New York.

That to perfect this enterprise, it is necessary that they should have the right to use the Troy & Greenfield Railroad and Hoosac Tunnel upon definite and permanent rates of toll, and should have the right to construct, purchase, lease and operate in the Commonwealth of Massachusetts, such railroads or portions of railroads as will enable them to reach tide-water at Boston from the easterly end of the Troy & Greenfield Railroad, near Greenfield, in the State of Massachusetts.

For this purpose your petitioners respectfully ask,—

First. For authority to enter upon and use the Hoosac Tunnel and Troy & Greenfield Railroad upon a fixed rate of toll, graduated upon a sliding scale proportioned to the annual use, the Commonwealth retaining the general management of the road and Tunnel, and also retaining the right to permit any and all railroads to use said road and Tunnel, as they may at any time see fit.

Second. For authority to construct, purchase, lease and operate any railroad or railroads between the Troy & Greenfield Railroad, near Greenfield, and the city of Boston, as may be necessary to perfect such continuous through line.

Third. They do not ask any pecuniary aid or assistance in this enterprise, either from the Commonwealth or from any municipal corporation, and are prepared themselves to furnish the necessary means for the completion of such through line forthwith; and believing that the Commonwealth ought not to be called upon for any further expenditures upon the Troy & Greenfield Railroad and Hoosac Tunnel, your petitioners hereby offer to maintain and keep in repair said railroad and railroad property; also, to make all necessary permanent improvements upon the same, including the laying of a double track, constructing of all necessary engine-houses, water-tanks and stations upon the line of said road; and ask that all railroads using the same be required to bear their proportion of the expense of the maintenance of said road and of the permanent improvements upon the same, in proportion to their use.

Fourth. And they further ask, as the Fitchburg Railroad and the Vermont & Massachusetts Railroad are at present indispensably necessary for any connection from the Troy & Greenfield Railroad and Hoosac Tunnel to the city of Boston, that such legislation may be had as will secure their proper coöperation in the development of said line from Boston to Lake Ontario.

Fifth. The provisions of the legislation which your petitioners ask shall further provide that a majority of the electors shall be citizens of this Commonwealth; that its principal place of business shall be maintained in the city of Boston; that the lieutenant-governor of the Commonwealth and the president of the board of trade of the city of Boston, shall be *ex officio* directors of the same.

And your petitioners will ever pray.

ESTES HOWE.
OLIVER AMES.
ELISHA ATKINS.
WILLIAM CLAFLIN.
WM. L. BURT.
FRED. L. AMES.
JOHN W. CANDLER.
GEORGE I. POST.
G. R. BLANCHARD.
S. S. GURTHRIE.
JOHN B. ALLEY.
GEO. M. PULLMAN.
GILES W. HOTCHKISS.

How We are Met.

And these gentlemen, who have come before you with that petition, and with these representations, are met in what spirit? In the spirit in which men controlling millions of capital, and with large railroad experience, who offer to aid the State in the development of the Tunnel, that great enterprise into which the State has put seventeen millions should be met? No; they are met as though they were tricksters, sharpers, small cheats and frauds, or a band of robbers, who had gathered together to see how they might in some way join in a great swindle that has been, and is being, perpetrated on the State! As though they were an "inchoate" corporation, forsooth, these Massachusetts men, who have organized under a New York law, to do Massachusetts a service. Even Mr. Blanchard, who comes here representing the interest of the Erie Railway, and offers to put into Boston an independent through competing line of freight and passengers, is as bad or worse than the rest. These are the men whom you are told have gone out of Massachusetts to form a corporation, in order that they may come back and steal the substance of the State in the Hoosac Tunnel. Now, it is a shame! It is not creditable to the parties that come here, it is not creditable to Massachusetts, that men standing as these men do, should be put under such suspicion; that they should be met by any such objections. You must criticise. Men disappear; corporations remain. One is comparatively everlasting; the other for a day. That is all true. But these men come here and ask you to sit down with them, as I have sat down from time to time, gathering every criticism that may come from friends or enemies, inviting from all quarters scrutiny and care.

Help Draw a Perfect Bill.

We have asked you, we have asked them,—have we not?—to help us frame a bill that should answer in form and substance the requirements of that petition. We cannot build or operate any road unless we have a charter from Massachusetts. No men would put capital into this line of road under the existing condition of things as that report shows, as the testimony of Mr. Blanchard shows, as the testimony of Mr. Robinson shows.

They Slam the Door in Our Face.

Why, since we have come here, and since we have advertised our notice for this charter, they have closed another door upon us and upon the State. Passenger cars, except those from the New York Central line, are forever excluded from the Troy & Boston road and over this line and from the Tunnel. This is the condition of the

passenger line to-day; what shall we do to-morrow? It may be worse. The rates to-day for freight on the Fitchburg road, the rates on this through freight line may be high to-day; they will be higher to-morrow than they are to-day. This kind of opposition will increase faster than any support that we can bring. In the shape that we are, or anybody is, it cannot be met.

A New York Charter.

We must have an organization in New York to build the portion of the railroad there. We have so stated it in our bill. You understand how it is, gentlemen. Was the fling that has been made at us, that we are a New York corporation, a fair one? We could not do otherwise. We had gone to New York to build a part of this railroad for you. The Boston & Albany Railroad requires a charter in the same way, in both Massachusetts and New York. What else could we do? How would they have us do? What shall we secure when we have built it through New York? You say we have reached the Tunnel. That is not the case. At the Vermont line, at the old "Southern Vermont Railroad," we come to a road that the State of Massachusetts owns, and that road shuts the door on us and all competing roads.

The Troy & Boston Railroad.

Now, I am very thankful that our friend, President Robinson, has stayed to hear me upon that point, and I wish you to give me your careful attention. I mean to make myself plain and intelligible, and I think I shall; and if I do not show you, if you will follow me step by step, that the State of Massachusetts can grant us the right to use that six miles of railroad through Vermont to-day, and without breaking faith with anybody, and that it is your duty to do it, in view of the fact that while that road is the only western approach to the Tunnel to-day it is excluding business from the Tunnel every day, then we shall have utterly failed.

Charter of Southern Vermont Railroad.

Now, please follow me. The first proposition is this: That the Troy & Boston Railroad, that claims to hold a lease of the Southern Vermont Railroad, can never gain any greater rights than the original Southern Vermont Company had by its charter. That is evident. Those of you who are not lawyers will appreciate it, and those of you who are will recognize it as an axiom. Then, if it can get no greater rights than that corporation had, it cannot get any greater rights by any ratification or implied ratification of the lease by the Commonwealth of Massachusetts, than the Troy & Green-

field Railroad had in their charter. The extent of their rights is limited by the rights those two corporations had by their charters, more especially the Vermont corporation. Now, I will take the liberty to detain you a moment on that point. Section 29 of the charter of the Southern Vermont Railroad, as granted by the State of Vermont, provides :—

“SECTION 29. The legislature of this state may authorize any company to enter with another railroad at any point of the road hereby granted, paying for the right to use the same, or any part thereof, such rate of toll as the legislature may hereafter prescribe, and complying with such rules and regulations as may be established,” etc.

The State of Vermont, therefore, created this railroad, which is now leased to the Troy & Boston, reserving the right to allow any other railroad company to run over it.

Now, let us turn to the Act of Massachusetts incorporating the Troy & Greenfield Railroad. By the sixth section of that Act; it is provided :—

“The legislature may authorize any railroad company to enter, with their railroad, upon the Troy & Greenfield Railroad, upon such terms as may be agreed upon by said companies, or as may be prescribed by the provisions of law.”

Both States may Permit any Road to use it.

Now, by the charters of these roads, the Legislature of each State respectively reserved the right to allow any road to use this road.

What is the next step? Before this lease was made, under the original charter of the Troy & Greenfield Railroad in Massachusetts, it was provided that—

“The said corporation may contract with the owners of any contiguous railroad leading into or from either of the States of Vermont or New York, for the use of the whole or any part thereof, or for the running and operating the two railroads conjointly, or for the leasing of such contiguous road, or for the letting or hiring of their own road to the owners of such contiguous road, or of any other road which composes a part of the railroad line between the cities of Boston and Troy, of which the railroad hereby authorized shall be a part.”

Under that Act, then, authority was given the Troy & Greenfield Railroad to deal with this railroad in Vermont.

On the sixth page of the commissioners' report, 1862, they say :—

“It appears from the records of the Troy & Greenfield Railroad Company, that as early as 1850, measures were taken to extend the line of railroad west from the state line” [that is, the Troy & Greenfield Rail-

road in Massachusetts], "by procuring a charter from the general assembly of Vermont, for the Southern Vermont Railroad Company, and consolidating the two corporations."

It appears by the records of the stockholders of the Troy & Greenfield Railroad, that they themselves went forward and built this railroad. Both these Acts of incorporation, the Southern Vermont and the Troy & Greenfield, in Massachusetts, were passed in 1848. The one was the fruit of the other. The Massachusetts charter reserved the right of the Massachusetts road to go into Vermont, and the Vermont charter, as I will now show you, reserved the right of the Massachusetts road to come there. You will find that the Vermont Act contains this provision,—

"SECT. 19. The persons who shall become stockholders of any railroad company which has been, or may hereafter be, created by the Commonwealth of Massachusetts, or by the state of New York, and whose road shall connect with the road of this corporation, at the south or west line of this state, shall be stockholders of this corporation, together with such persons as shall be stockholders of this corporation."

In other words, you will find by these various proceedings these two railroads were intimately interlocked.

The Mortgage to the State.

Now, what is the next proceeding? The Troy & Greenfield Railroad in Massachusetts wanted to borrow some money, and she came to the State of Massachusetts to do it, and in the action of the State of Massachusetts, the very first thing that was done was to make a mortgage,—the first mortgage of the Troy & Greenfield Railroad,—to the Commonwealth of Massachusetts. Now, you will bear in mind that, at this time, there was no lease; there was no talk of any lease, because, according to the dates, this mortgage precedes the lease by several years.

In 1854, the State of Massachusetts passed an Act entitled, "An Act authorizing a loan of the state credit to enable the Troy & Greenfield Railroad Company to construct the Hoosac Tunnel," with this provision in it:—

"SECT. 6. In addition to the security provided in the preceding section, the said company shall assign all the interest they now have or may hereafter obtain in the Southern Vermont Railroad Company."

Following the acceptance of this Act by the stockholders, they passed, July 26, 1855, this vote:—

"Voted, That the directors be authorized to assign, by themselves or by a committee duly authorized, and countersigned to the treasurer, to

the Commonwealth, all the interest this corporation now has, or may hereafter obtain, in the Southern Vermont Railroad Company."

And the directors, following that vote, made this conveyance:—

"Know all men by these presents, That the Troy & Greenfield Railroad Company, in consideration of the sum of two millions of dollars" [this is the two million loan] "paid, or to be paid by the Commonwealth of Massachusetts, according to the provisions of a certain Act of the said Commonwealth, approved on the fifth day of April, A. D. 1854, entitled, 'An Act authorizing a loan of the state credit to enable the Troy & Greenfield Railroad Company to construct the Hoosac Tunnel,' does hereby give, grant, bargain, sell, and convey unto the Commonwealth of Massachusetts, the entire railroad of said corporation, with its franchises, income, and property. Also, there is hereby assigned and conveyed all the interest which the said Troy & Greenfield Railroad Company now has, or may, or shall at any time hereafter have or obtain, in the Southern Vermont Railroad Company." . . .

"To have and to hold the said entire railroad, income, property, and franchise of the said Troy & Greenfield Railroad Company, with such interest as said company now has, or may, or shall hereafter have or obtain, in the Southern Vermont Railroad Company, to the Commonwealth of Massachusetts, and its assigns, to their use and behoof forever."

Every possible party to this pretended lease had become a party to a conveyance to the State of Massachusetts of the road, franchise and company they had organized in Vermont, and this was years before the date of this lease.

Nor was this all. This mortgage being thought to be imperfect, the railroad company again, on the sixth day of July, 1860, executed a new conveyance, ratifying the old conveyance, and they put in these words:—

"The intent and meaning hereof being to convey and to confirm as aforesaid to said Commonwealth, all lands, buildings and tenements, and all interests and easements therein that said corporation now has, or hereafter may acquire within the limits of the location made and filed as aforesaid, and to confirm all former conveyances, bonds and mortgages heretofore made as aforesaid."

Not satisfied with that, they made another mortgage in 1862, and went over the same recital that they had formerly made in both conveyances, and they again ratified and confirmed them, and delivered them to the Commonwealth.

Perfect Title in the Commonwealth.

This may be a little tedious, but it is very important. We have all the property the Troy & Greenfield Railroad Company had in

the State of Massachusetts, and all the property they had in the State of Vermont, conveyed absolutely to the Commonwealth.

Now, what intervenes? It turns out that Mr. Haupt, when he built this road in Vermont, had made a lease, which bears date in 1856,—about three years after the first mortgage to the Commonwealth,—to the Troy & Boston Railroad Company. It was not executed or acknowledged for some years after,—I do not know why the delay, but the record shows it. It was finally acknowledged by the Troy & Boston Railroad Company and the Southern Vermont Railroad Company, on the twenty-seventh day of April, 1860, by both these corporations, and their acknowledgments are taken very carefully and fully.

The Lease made after Mortgage.

Now, what? Before that date, and before any acknowledgment or execution of this lease by the Southern Vermont Railroad Company, they had conveyed to the Troy & Greenfield Railroad Company, under an Act of the Legislature of Massachusetts, the entire stock, property, and franchise of their road in Vermont, and that was executed and recorded April 21, 1860, five days before the lease was acknowledged. The record shows all this. It is absolute upon its face to this State. The Commonwealth gets the title under that conveyance of the Southern Vermont Railroad Company. And the whole was executed to the State of Massachusetts, and acknowledged and recorded on the twenty-first day of April, 1860, and on that day the Southern Vermont Railroad Corporation ceased to exist.

STATE OF VERMONT.

“BENNINGTON COUNTY, ss.

April 21, A. D. 1860.

“Then personally appeared the aforesaid R. Carpenter, Jr., H. Cartwright, and H. Haupt, agents of the Southern Vermont Railroad Company, and acknowledged the foregoing instrument to be the free act and deed of the said Southern Vermont Railroad Company, and that the same was executed by them, on its behalf, and by its authority.

“Before me,

A. B. GARDNER, *Justice of the Peace.*”

“TOWN CLERK'S OFFICE, POWNAL.

“Received for record, April 21, 1860, at 4 o'clock 20 minutes P. M., by me at my office, which is the only place for recording of deeds in and for the town of Pownal, and recorded in book 20, pages Nos. 408, 9, 10 and 411.

HARMON MYERS, *Town Clerk.*”

Turning now to the record, you will find that the Southern Vermont Railroad Company and the Troy & Boston Railroad Company both executed, acknowledged and recorded this pretended lease six days after, on the twenty-seventh day of April, 1860, by D. Thomas

Vail, president of the Troy & Boston Railroad Company, and by Abraham B. Gardner, agent of the Southern Vermont Railroad Company.

"STATE OF VERMONT.

"BENNINGTON COUNTY, ss.

BENNINGTON, April 27, 1860.

"Then personally appeared the said Abraham B. Gardner, agent as aforesaid, and who executed the within and foregoing instrument for and on behalf of the said Southern Vermont Railroad Company, and acknowledged the same to be the free act and deed of said company.

"Before me, SAMUEL J. BLACKMER, *Justice of the Peace.*"

"Received for record April 27, 1860, and recorded by me,

S. H. BLACKMER, *County Clerk.*"

No Authority to Lease this Road.

Now, gentlemen, what does all this mean? Here was a conveyance and a lease. The conveyance was perfected to the Troy & Greenfield Railroad, and by them perfected to the State of Massachusetts, duly acknowledged by all the officers, and put upon the records; and in that very conveyance it is recited that there is a lease. And yet that lease had not been executed, and was never executed until a week afterwards, and it was then put upon the record. What does it mean? It means just this. The Troy & Boston Railroad (those of you who are lawyers will appreciate me) had no more right to lease that road than I have. They are running the road in the State of Vermont to-day, but they have no authority to run it from the State of Vermont,—not a particle; they have no authority from any State whatever; do not claim to have any. Now, what? Having, as they claim, thus got a perpetual lease, they come in here and say that the State of Massachusetts cannot authorize another railroad to go over it. Now, having shown you how that lease was made,—and I will say here that these very swindles were the things that frightened men at the State House from trusting the Troy & Greenfield Railroad any longer,—you could not turn a leaf of their history over without finding that, in some way, there was dishonesty under it,—something indirect, insecure, dishonest and unfaithful to the State. We found, what? That when the Troy & Greenfield Railroad made all these conveyances to the State, Mr. Haupt and the officers of that road had made a pretended lease to the Troy & Boston Railroad Company.

Two Hundred Thousand Dollars.

Then they put it into the very mortgage that they made to confirm the title to the State of Massachusetts (they had made three conveyances before); they put in a proviso that \$200,000 should be

furnished by the State to clear up the title of the Southern Vermont Railroad. And what clearing up of that title did they get? They got just what every man gets who undertakes to deal with a cheat. They came off worse than they would have been if they had let it alone.

Statement of the Law.

In 1852, by an Act of the State of Massachusetts, the Troy & Greenfield Railroad Company and the Southern Vermont Railroad Company are authorized to consolidate, turning over all these conveyances. In the Vermont Acts, after this conveyance was made to the Commonwealth, authority is granted to the "Troy & Greenfield Railroad Company, a corporation established by the laws of the State of Massachusetts to purchase, hold and mortgage to the State of Massachusetts the franchise, railroad and property of the Southern Vermont Railroad Company, a corporation established by the laws of this State," "and all sales, conveyances, transfers and mortgages heretofore made by the Southern Vermont Railroad Company, or by either of said companies, to the State of Massachusetts are hereby ratified and confirmed."

Do you find anything about this pretended lease in that? They dare not go to the State of Vermont and say that they had that lease. We have got a mortgage; we have got a perfect title; we have got a confirmation of our conveyance by the good State of Vermont, and no lease appears.

Vermont Road free to all Roads.

Now, the Troy & Greenfield Railroad Company by the Act authorizing consolidation with the Southern Vermont Railroad Company are subjected to all the provisions of the charter of the Troy & Greenfield Railroad Company, and also certain sections of the charter in Vermont, and one of these provisions is this very twenty-ninth section, which says that this road shall be open for use at all times to every other railroad.

Now, I beg you just to look at the map (Postal Route Map of New York and New England), and let us connect our ideas with something visible for a moment. I have now read to you until, by the laws of the State of Vermont and the State of Massachusetts, and the joint action of both corporations, that six miles of road from the state line of Massachusetts to that point—the line of New York and of Vermont—has become an inseparable part of the Troy & Greenfield Railroad, and is conveyed by a common title to this State. By the charter in the State of Vermont, any railroad is allowed to run its cars over their tracks. By the charter in the State of Massachusetts, the Troy & Greenfield Railroad was subject

to the same provision of allowing any railroad company to run over their tracks. Now, this Troy & Greenfield corporation has extended the franchise of its road over and has entire control of the property in Vermont, and has conveyed it to the State of Massachusetts. This has been done by the direct legislation of Vermont and of Massachusetts, has it not?

You Cannot Say "No!"

And I have come to you to ask you to permit our road and all roads to use these tracks. You cannot say "No" to this. Why? Because we all want to use them in the interest of the Hoosac Tunnel, do we not? and that was precisely what these roads were instructed by the very words of the charter to do.

We Want Your Permission.

And I want to do it by your permission. Why? Because, if I should go to-morrow into the State of Vermont and start to build a road parallel to the Troy & Greenfield Railroad in Vermont, the supreme court might interfere and say, "The comity of this State is pledged to the Commonwealth of Massachusetts; you cannot do it. We have authorized the building of this road, and its transfer to the Troy & Greenfield Railroad Company, and the mortgage and transfer of the road to the State of Massachusetts. The Commonwealth of Massachusetts has come, in her political organization as a State, within our borders, and is now exercising jurisdiction, under and through the charter of the Troy & Greenfield Railroad, by our permission, and that charter gives the right to any railroad to run over this piece of road with their permission. We can give you no rights that will infringe upon what we have pledged ourselves to the State of Massachusetts to maintain. You go to the State of Massachusetts and let her grant you that right, and then come to us and we will confirm it. If you cannot get it in that way, let them show in some way that they desire that you should have it, and we will allow you to build another road parallel to it through Vermont."

Thus, the Perpetual Lease Vanishes.

Have I not made a plain case? And such is the railroad that has upon it a perpetual lease, a road that everybody can use by the terms of both its charters. Now, they have cut off other people from the Tunnel. Mr. Blanchard and all of us come here and say, "We will build a line from Schenectady, with our own money, and connect with the Tunnel and the state's road; and we are gravely told that that lease stands in the way, and we are told that we are "confiscating" the property leased to this New York corporation! "Whom the

gods would destroy, they first make mad." It is as true of railroads as of individuals, and I have sometimes thought, a little more so. If there ever was a railroad that was determined on going to perdition immediately, it begins in some such way as this.

Now, instead of having a close corporation with tracks that nobody can use, we find we have a corporation that everybody can use, and that too by authority of two States. Just look at it! There is no escape from it.

Retributive Justice to the State.

That is the issue before us. But there is an equity about all this, because they first began by conveying this six miles of road to the State of Massachusetts as security for a loan long before the lease was made. Now, I will tell you what the lease was for. They complain that we ask you now to interpose. The language of this conveyance of the Southern Vermont Railroad to the Troy & Greenfield Railroad, and to this Commonwealth, is this [I will read it to you, as I said before, as "common men"]: "all the lands, depots, buildings, structures, and other property connected therewith or belonging thereto, and all the franchises, capital, stock, bonds, leases, contracts, rights, privileges, and other property of said grantor corporation, including the lease made by said grantor corporation to the Troy & Boston Railroad Company, dated the twenty-first day of November, in the year 1856, one part of which, held by the lessor corporation, is hereto annexed, and all the income, benefits and reversion thereof." And that was in accordance with and as confirming the conveyance that Mr. Haupt had prepared, and the State of Massachusetts gave them for this conveyance and the "*reversion*" of this lease—that had never reverted and never will—two hundred thousand dollars.

This Lease built the Road.

Now, they say, we could never have had that road built, if they had not in the first place made this contract with them, for a lease. Supposing that was so, will somebody come here and tell me,—I will ask my brother to do it now; he shall not be cut off because I am having the closing argument,—supposing the lease was for the purpose of getting the road built, will you tell me why they came in and made the Commonwealth pay \$200,000 for it long after it was built, if it was a sealed book, and nobody, even the Commonwealth itself, could use it?

Why did the State build this Road?

Mr. TORREY. Which brother are you asking?

Mr. BURT. I should be very glad to hear from both of them. I will put the question to both of them, but more particularly to Mr. Allen. He argued to you, defending the Troy & Boston Railroad, that this road could not have been built without they had first made the lease. That may be so. I do not know what Mr. Haupt might have done. I know what he did. He put out the bonds and securities on that six miles of road, that never cost \$80,000, to the amount of \$200,000, and the State of Massachusetts has paid that money. Now, the State is not a banking corporation. We are not even taking a lease on good security. The State was doing this for the purpose of clearing this road, and making it a part of the Tunnel line. Now, I would like to have these gentlemen answer this question, if they can, and if they cannot, let anybody answer it who can—

What did the State of Massachusetts pay that money for?

Will you who hold the lease pay that money back. If you will, we can get another road. Why did the Commonwealth of Massachusetts get a guarantee—a confirmation as you might call it—from the State of Vermont, that we had got something in that State? What have we got? Why, we are like the man who is heir to another man's debts! What have we got? We have got nothing in the State of Vermont except this: the eternal remembrance of a cheat. And I beg my friends to remember when they come here from this Troy & Boston New York corporation, that, in addition to the stigma of being a New York corporation, and an "inchoate" one at that, they will always come here with the stigma of having been part and parcel of a cheat,—of a cheat upon the State of Massachusetts,—and this will remain as long as that lease stands. There has been no explanation made of it, and it cannot be explained on any possible theory. It is not explained by the aid it gave to building the road; that was long before it was conveyed to the State of Massachusetts. We paid \$200,000, above the two millions, and long after the road was built and running. Now, as often as they may come here, and pleasantly as we shall greet them,—as we always have and always shall,—yet we shall say: "These are the fellows who cheated us out of \$200,000."

The Sections of our Bill.

Gentlemen, I must ask your attention to our bill, as we now desire its enactment. You see I have gone over many of these matters

very discursively. I wanted to read a few passages from Mr. Blanchard's testimony, but it will be printed and laid before you. The position I am obliged to take in this bill, as against the Fitchburg railroad, is almost an absurdity. I cannot see now, any better than I could when I began, why they should not all come in and help me. I cannot understand it. What is there in this bill that they should not help us to obtain?

A Railroad in New York.

Do you want a railroad to go through the State of New York? You can only get it by going there and getting a charter, and organizing under the law of New York; and when you have done that, and organized under their law, you can build your road,—not before. You can get there in no other way. What is it to you that other people want to build a new road to Albany, or a bridge a mile below Albany, or that they want to build another road to Schenectady, or that they want to build the Poughkeepsie Bridge, or are waiting for somebody to build the Massachusetts Central Railroad? The point is this: we have got the Tunnel, and cannot get to it or out of it. The one thing necessary for us is to get out. We must have such a corporation as this; we can get into New York in no other way. Now, can we come to Massachusetts and ask the Legislature to allow us to use this tunnel, at a fixed rate of toll, and under precisely the same limitations that any other railroad uses it? I think we can, if we ask for it with the proper limitations. We have no right to use it now. We are a foreign corporation. All the liberal legislation of this State will give no railroad in another State the right to run its cars through the Tunnel, except by special law. We have come for that permissive law.

We want your Permission.

Now, the Troy & Greenfield Railroad, and the lease of the Southern Vermont are disposed of. You see why we *first* want permission of the State of Massachusetts. We say that we cannot go into the State of Vermont unless we have the coöperation of Massachusetts; and having that permission, it will not be a breach of the comity between States if Vermont gives us another route, and gives us the same rights that she gives to other roads.

The way to meet the Vermont Lease.

Now, the next provision is,—

"If said Troy & Boston Railroad Company shall decline and refuse to surrender and cancel said lease, and shall refuse to permit the Commonwealth of Massachusetts to authorize all connecting railroads to use

said Troy & Greenfield Railroad in the State of Vermont for the purpose of connecting with and using the Troy & Greenfield Railroad and Hoosac Tunnel in the State of Massachusetts, then, and from the time they shall so refuse, and so long as they shall so refuse, said Troy & Boston Railroad may be prohibited by the governor and council from using any portion of the Troy & Greenfield Railroad in the State of Massachusetts; and in the event of such refusal by said Troy & Boston Railroad Company, the consent of this Commonwealth is hereby given to said Boston, Hoosac Tunnel & Western Railway, and they are permitted, subject to the laws of the State of Vermont, and under a proper corporate organization in the State of Vermont, to enter upon and use and locate, construct and maintain a railroad upon the rights of way and railroad lands of said Troy & Greenfield Railroad in the State of Vermont, or any part or portion of the same as may be necessary to construct another railroad to reach the Troy & Greenfield Railroad and Hoosac Tunnel, and all said lands and real estate are granted as a free gift and without compensation: *provided, however*, when said road shall have been so constructed by said Boston, Hoosac Tunnel & Western Railway over and upon the said lands and rights of way, all railroads authorized to use the Troy & Greenfield Railroad and Hoosac Tunnel, under the laws of Massachusetts, shall be authorized to use said railroad so constructed in the State of Vermont, upon the payment by such parties of their proportionate part of the cost of construction of said railroad and its maintenance, in proportion to their use of the same; such proportion to be determined by the governor and council, in case of disagreement."

I think you ought to exercise this power. I am not certain you ought to leave its exercise to us, so that we might go forward and do the State and Tunnel an injury, by making this demand, and having the refusal, shutting off these people by the inexorable force of a positive statute. I think it should be left so that the Governor and Council, upon this refusal, can enforce that provision. We shall ask them to do it as soon as the new road is built.

This bill simply gives us authority "to purchase, construct and operate" our "road, under the laws of this Commonwealth." That is all we want. Just such powers as all railroad corporations have under the general laws of this State, but which we cannot get without special legislation, as we run through two States. We have put in the restrictive clause, that it shall be under the provisions of the General Statutes, and subject to all the general laws applicable to railroads, so that there can be no question of State control over us. All we ask is, that we may be allowed to stand precisely as any other corporation stands.

Can the State refuse?

Can the State afford, to-day, to neglect this chance of having the Tunnel used? I think we can come together. I think we can sit down and see if these legal points are not covered as carefully as they were in the Southern Vermont Act, at least. At any rate, we cannot deal with them; we cannot spend our money without this authority. If you will give us the authority to deal with them, we may deal with them.

No more Money for the Tunnel.

I should like to have it proclaimed, and placed upon the records of the Commonwealth, that no more money should be expended on the Troy & Greenfield Railroad or the Hoosac Tunnel, by the State; that every road running through it should, at least, pay its proportion of the cost of the maintenance of the road, and that all parties coming to it should have the absolute right to go over it. I should like, I say, to see that principle established by a general law. But the State may wish to allow each foreign railroad to come by special charter for obvious reasons. A general law might work greater injury, and no State would thus open her doors to everybody in advance.

Terminal Facilities.

But the terminal facilities,—what can we do without these? Why, this road that comes from the West is the one that has got to provide for them. How is it in Baltimore and Philadelphia, and still more, in New York? Who constructs the Bergen Tunnel and Long Dock? Who builds another tunnel for a double track? Why are those things supplied? Because they are necessary for New York interests, and no road without an immense mileage behind it can supply them and keep them in proper condition.

This is Boston's opportunity.

Boston is a great deal bigger than we think. Her possibilities are grander than we estimate them. We have great opportunities to-day. Opportunities never come twice. Let me beg you to regard railroads as you do men. Opportunities never come but once. This is our opportunity. We have opened the Tunnel as the best possible line to the West. The Fitchburg Railroad will not develop it. Can you believe these men for whom I am acting? I say you can, because they have said it over their own hands, and if they do not do a certain portion of the work in one year, even before your Legislature meet again, they lose all rights under this charter. You could not have anything stronger. Will you not let us avail of this

opportunity? Will you not open the door? nay, will you not *invite* us, "Come, build your road! Everything is open to you." So you might say to my friends of the Massachusetts Central Railroad, "You may build your road on the same terms." When my brother Stone, who has not got even a continuous line of earth, comes in here and says: "We will create something, and we want the privilege of using the Tunnel," I would leave the door open to him, because I think it is possible; but I do not think it is probable enough to interfere with any use we or anybody may make of the Tunnel, now or hereafter. I think, practically, the Tunnel should be kept open to all; but as to keeping it clear on the ground that the Massachusetts Central is to be provided for, it is a farce.

It is just as farcical to suppose that the Poughkeepsie Bridge, or the bridge below Albany, is going to be built and furnish freight for the Tunnel line. Do not let yourselves be deceived by anything of the kind. Business is business. If you want to load steamers to-day in Boston, it has got to be done by a line of railroad starting from the West.

Boston Railroads. Where Do They Run To?

Mr. Garrett says: "The only peculiarity about Boston is, I have never been able to find out where your railroads went to. If you have a railroad that comes *into Boston*, that satisfies your people. There is the Eastern Railroad. But where does it go to? There is the Boston & Maine," says he, "I never knew where it went to. It comes into Boston. There is the Fitchburg, connecting with a good many roads up in Vermont and New Hampshire. It comes into Boston, but where does it go to? There is the Boston & Albany, which ends at Albany. I have often thought, if I owned that road and was situated as they were in relation to the Mohawk Valley, I would go to Lake Ontario. They were content to go to Albany. The Old Colony, in the same way, spreads itself out over a great territory, and furnishes a great deal of accommodation. But your railroad lines lack persistence and point."

What the Times Demand.

It is the concentration of business, energy, brains and capital that in this day and in this generation produces results; and we have waited and waited, and quietly sat down with folded hands and allowed our strength to be scattered, and our substance to be wasted. And in a hearing like this, when we come and ask what we have asked for in our bill, we are met by the question "whether the Troy & Greenfield Railroad should be redeemed upon the payment of a certain sum"; whether we should not wait until my friend Stone's road is completed; whether the "Poughkeepsie Bridge is not a better institu-

tion"; and, lastly, our friend from Albany comes here and says if it was not for his bridge you could not get over at all, and you are just as well off with the Troy & Boston; you are just as well off as you can be. I do not believe them. We have started in thorough earnest, determined to make progress. I tell you, we can do it. We will not injure anybody, but help everybody; and by and by, those who oppose us to-day will "rise up and call us blessed,"—soon they will take hold and help us. We do not ask your money; we do not ask your pledges; we only ask your *permission*. Surround that permission with all the safeguards you please; protect the State and the people, but, under pretence of such protection, do not ruin both.

We Demand Recognition.

Remember, we absolutely demand legislation and state recognition. We are a foreign corporation, and cannot run a car in the State without a special permit, a special charter, such as we here have drawn. Do not put us off another year. We can open for you a new line to the West before you again assemble here next January. Will you prohibit us in the selfish interests of railroad corporations who are refusing to do this work themselves? Will you throw away this more than golden opportunity? Can you, dare you, go back to your constituents, bearing in one hand a new tax levied for the Tunnel and in the other a refusal to these citizens of Boston to use it? You may put your own terms, your own restrictions on the bill, frame our charters as you will, but you dare not, in justice, refuse or delay the use of the Tunnel to even those who pretend to desire to use it.

I close, by presenting our bill in the following form, as perfected by these hearings:—

An Act to authorize the Boston, Hoosac Tunnel and Western Railway of New York to operate a Through Line of Road from Boston to Lake Ontario, using the Troy and Greenfield Railroad and Hoosac Tunnel.

Be it enacted, &c., as follows:

SECT. 1. The Boston, Hoosac Tunnel and Western Railway, a corporation organized under the laws of the state of New York for the purpose of constructing, maintaining and operating a continuous line of railroad from the Troy and Greenfield Railroad, at the boundary line between the states of Vermont and New York, through the Mohawk Valley to Lake Ontario, is hereby authorized and empowered to lease, purchase, construct, and maintain and operate, under the provisions of the laws of this Commonwealth, a railroad or railroads in the state of Massachusetts, from a connection with the Troy and Greenfield Railroad, near Greenfield, eastward to and through the city of Boston, so as to form and per-

feet, with their own railroad, in the state of New York, a continuous line of railroad from Lake Ontario through the Hoosac Tunnel and over the Troy and Greenfield Railroad to tide-water in the city of Boston.

SECT. 2. Said Boston, Hoosac Tunnel and Western Railway are authorized to enter upon and use the Troy and Greenfield Railroad and Hoosac Tunnel, and to transport with their locomotives and cars freight and passengers over and upon said railroad and through said tunnel, and for this purpose to use the tracks, depots, side-tracks, turn-tables, water-tanks and all appliances and fixtures belonging to said railroad or to the state of Massachusetts on the line of said railroad. Said use of road and rights to extend from the terminus of said railroad, in the town of Greenfield, through said tunnel and to the boundary line of the states of Massachusetts and Vermont, and also through the state of Vermont to the boundary line of the states of Vermont and New York, including that portion of the Troy and Greenfield Railroad in the state of Vermont, formerly known as the Southern Vermont Railroad, now conveyed to the Commonwealth of Massachusetts; and, whereas, a corporation known as the Troy and Boston Railroad Company, established under the laws of the state of New York, claim to hold a lease of that portion of the Troy and Greenfield Railroad in the state of Vermont, by the terms of which they are required to pay an annual rental to this Commonwealth as the owner of the Troy and Greenfield Railroad; and whereas this Commonwealth has heretofore purchased said portion of the Troy and Greenfield Railroad at an expense of two hundred thousand dollars; and whereas said portion of said Troy and Greenfield Railroad in the state of Vermont is deemed to be of great importance and value as affording the only access to that portion of the Troy and Greenfield Railroad lying in the state of Massachusetts and to the Hoosac Tunnel to and from the state of New York; now, for the purpose of securing free access of all parties to said Troy and Greenfield Railroad and said Hoosac Tunnel, the said Troy and Boston Railroad are hereby permitted to surrender and cancel said lease, and thereupon said corporation shall be released and discharged from all obligations under the terms of said lease, and thereafter said portion of the Troy and Greenfield Railroad in the state of Vermont shall be open to the use of said Troy and Boston Railroad, and to all other railroads that may be authorized to use the same, on the same terms and conditions and upon the payment of the rates of toll per mile as may be fixed for other portions of the said Troy and Greenfield Railroad.

SECT. 3. If said Troy and Boston Railroad Company shall decline and refuse to surrender and cancel said lease, and shall refuse to permit the Commonwealth of Massachusetts to authorize all connecting railroads to use said Troy and Greenfield Railroad in the state of Vermont for the purpose of connecting with and using the Troy and Greenfield Railroad and Hoosac Tunnel in the state of Massachusetts, then, and from the time they shall so refuse, and so long as they shall so refuse, said Troy and Boston Railroad may be prohibited by the governor and council from using any portion of the Troy and Greenfield Railroad in the state of Massachusetts; and in the event of such refusal by said

Troy and Boston Railroad Company, the consent of this Commonwealth is hereby given to said Boston, Hoosac Tunnel and Western Railway, and they are permitted, subject to the laws of the state of Vermont, and under a proper corporate organization in the state of Vermont, to enter upon and use and locate, construct and maintain a railroad upon the rights of way and railroad lands of said Troy and Greenfield Railroad in the state of Vermont, or upon any part or portion of the same as may be necessary to construct another railroad to reach the Troy and Greenfield Railroad and Hoosac Tunnel, and all said lands and real estate are granted as a free gift and without compensation: *provided, however*, when said road shall have been so constructed by said Boston, Hoosac Tunnel and Western Railway over and upon the said lands and rights of way, all railroads authorized to use the Troy and Greenfield Railroad and Hoosac Tunnel, under the laws of Massachusetts, shall be authorized to use said railroad so constructed in the state of Vermont, upon the payment by such parties of their proportionate part of the cost of construction of said railroad and its maintenance, in proportion to their use of the same; such proportion to be determined by the governor and council, in case of disagreement.

SECT. 4. The Boston, Hoosac Tunnel and Western Railway Company shall bear their proportion of the maintenance of the Troy and Greenfield Railroad and the Hoosac Tunnel, and pay for the use of the same five mills per ton per mile for freight, and five mills per mile per passenger for each ton of freight and each passenger transported by them over said road; and whenever, in any one year, the aggregate number of tons of freight and of passengers transported by them over said road exceeds one hundred thousand, they shall pay four mills per ton and per passenger for all the tons and passengers carried in that year; and whenever the aggregate number of tons and passengers in any one year exceeds three hundred thousand, they shall pay three and one-half mills per ton and per passenger; and whenever in any one year the aggregate number exceeds six hundred thousand, they shall pay three mills per ton and per passenger; and whenever the aggregate number in any one year exceeds one million, they shall pay two and one-half mills per ton and per passenger; and whenever the aggregate number in any one year exceeds two millions, they shall pay two mills per ton and per passenger, for the same. These rates shall be only for through freight and passengers, but rates for local freight and passengers shall be from time to time fixed by the governor and council.

SECT. 5. Said Boston, Hoosac Tunnel and Western Railway shall construct, or cause to be constructed and opened for use, a continuous line of railroad from and connecting with the Troy and Greenfield Railroad, at the Vermont and New York state line, to Schenectady, in the state of New York, and complete a connection with the Erie Railway within one year, and from Schenectady to Lake Ontario within the time limited for the construction of railroads by the laws of the state of New York; and, if not so constructed, all right under this act shall cease and determine.

SECT. 6. Whenever the said Boston, Hoosac Tunnel and Western Railway shall have completed its line to Schenectady from the Troy and

Greenfield Railroad, it shall have the right to run its freight and passenger trains and cars through the tunnel, and over the Troy and Greenfield Railroad, and thereafter all roads using the Troy and Greenfield Railroad and Hoosac Tunnel shall maintain said railroad, and keep the same in repair and in proper condition for use, and thereafter shall make all permanent improvements upon the same, shall lay any and all side-tracks, build and maintain any and all double tracks that the governor and council shall determine are required upon the line of said railroad and through said tunnel, and shall construct and maintain any and all depots, engine-houses, water-tanks, turn-tables and all fixtures required upon said road and tunnel; and all parties authorized to use said road and tunnel shall, before using the same, pay their ratable proportions of the cost of all such expenditures, and likewise pay such ratable proportion of the cost of maintaining said road and tunnel as their use bears to the whole use of the same. All such proportions to be determined by the governor and council, and to be binding upon all parties using the same.

SECT. 7. The Boston, Hoosac Tunnel and Western Railway shall keep and maintain the general offices of the said company in the city of Boston. The lieutenant-governor of the Commonwealth of Massachusetts for the time being, and the president of the board of trade of the city of Boston for the time being, shall be *ex officio* directors of said corporation, and a majority of the board of directors shall at all times be citizens of this Commonwealth, and annual returns of its business shall be made as prescribed by the statutes of this Commonwealth. And said corporation shall have all the powers and privileges, and be subject to all the duties and liabilities, set forth in chapter sixty-three of the General Statutes and all general laws that now are or may be hereafter in force relating to railroad corporations.

SECT. 8. The rights and privileges granted to the Boston, Hoosac Tunnel and Western Railway, under the provisions of this act, shall not be exclusive, and shall not be deemed to give in any form an exclusive use of the Troy and Greenfield Railroad and the Hoosac Tunnel to said corporation; but any and all railroads may be authorized to enter upon and use said Troy and Greenfield Railroad and said Hoosac Tunnel under like authority of this Commonwealth; but if at any time any corporation or individual shall be authorized to use the same or any portion thereof on more favorable terms or rates of toll than those provided for the Boston, Hoosac Tunnel and Western Railway by this act, then this corporation shall be entitled to use the same on the most favorable terms granted to any other party: *provided*, all corporations and parties using the same, and the general management and control of the said railroad and tunnel as to the time and manner of use, shall be at all times under the direction and supervision of the Commonwealth: *provided, however*, the rates of toll fixed by this act and the duties, obligations and requirements made incumbent upon said Boston, Hoosac Tunnel and Western Railway Company shall not be increased without the consent of said Boston, Hoosac Tunnel and Western Railway Company first given thereto.

SECT. 9. The grants by the Commonwealth of Massachusetts to the Boston, Hoosac Tunnel and Western Railway in this act contained, shall

not be, and shall not be deemed and construed to be, guarantees, but shall be deemed and construed to convey to said Boston, Hoosac Tunnel and Western Railway only such rights as the Commonwealth has or may have in the premises; and said grants shall be subject to the rights of all parties therein.

SECT. 10. The Fitchburg Railroad Company and the Vermont and Massachusetts Railroad Company shall not, in making contracts or in operating their roads, discriminate in any manner, directly or indirectly, against the freight and passengers of the Boston, Hoosac Tunnel and Western Railway, or freight and passengers coming from the connecting lines of said road, or from roads forming parts of a competing line from Boston over the Erie Railway to the west and south-west; but the Boston, Hoosac Tunnel and Western Railway shall have the right to have their own freight and passengers, and all freight and passengers coming over their line from connecting roads, transported with close connections, and in through cars, on the most favorable terms and at the most favorable rates that may at any time be given to any other parties.

SECT. 11. When the Boston, Hoosac Tunnel and Western Railway has completed its line to Schenectady, it shall receive and transport all through connecting freight and passengers to and from the New York Central and Hudson River Railroad, and the Delaware and Hudson Company's railroads, and the Erie Railway and connecting railroads, and to and from any railroads that may hereafter be constructed and connected on equal terms and conditions without unjust discrimination or advantage to any party; and the Massachusetts Central Railroad shall, when completed to a connection with the Troy and Greenfield Railroad, have the same rights and rates of toll over said Troy and Greenfield Railroad and through said tunnel, under the same limitations and restrictions as are by this act prescribed for the Boston, Hoosac Tunnel and Western Railroad; and they shall be entitled to have all their through connecting freight and passengers transported over the Boston, Hoosac Tunnel and Western Railroad in the state of New York, at the most favorable rates and on the most favorable terms granted to any other railroad.

The CHAIRMAN. The hearing on this petition is now closed.

TESTIMONY

OF

G. R. BLANCHARD, Esq.,

ASSISTANT RECEIVER OF THE ERIE RAILWAY,

BEFORE THE HOOSAC TUNNEL AND TROY & GREENFIELD
RAILROAD COMMITTEE.

MARCH 13, 1877.

BOSTON:
ALBERT J. WRIGHT, STATE PRINTER,
79 MILK STREET (CORNER OF FEDERAL).
1877.

FIFTH HEARING.

TUESDAY, March 13, 1877.

The Committee met at 10 o'clock, Senator BOWMAN in the chair, who stated that the Committee were ready to proceed.

Mr. BURR. Mr. Blanchard of the Erie Railroad is present, and I should like to have him occupy the time for about an hour.

Q. (By Mr. BURR.) How long have you been connected with the management of the Erie Railroad Company?

A. Since four years ago the first of October.

Q. Previous to then, what was your position?

A. I was in charge of the freight business of the Baltimore & Ohio Railroad for six years at Baltimore, and two years in the West with the same interest, making eight years in all.

Q. What length of line, or of road, has the New York & Erie Railway to-day within its control?

A. About 960 miles.

Q. That reaches the principal cities of the West?

A. That reaches, so far as the road proper is concerned, Dunkirk, Buffalo, Cleveland and Suspension Bridge, and via those points all the cities reached by the connecting roads of the New York Central, as well as our own lines, and also reaches, via Salamanca, points the New York Central does not reach.

Q. Will you state to the Committee, in a short way, the tonnage of your road during the past year, as compared, say, with the New York Central?

A. I cannot tell readily the tonnage of the Erie Railway Company; but in round numbers it was six millions of tons against six and three-quarters millions by the New York Central. If Gen. Burr will permit me to go on and make some general statements in my own way, I shall be glad to do so, and answer his questions afterward.

Mr. BURR. Take your own way. You had your attention called to this line, to Boston and its New England connections. State, in your own way, the position of the Erie road with reference to this matter, and what you desire?

Mr. BLANCHARD. I want, first, to express my obligations to you, Mr. Chairman, and the members of the Committee, for your kindness

in postponing the hearing until to-day, in order that the interests I am here to represent might be heard. Our absence before has been unavoidable.

As the Erie Railway, both in itself and its far-reaching connections and traffic abilities, seems insufficiently known in New England, in its practical carrying resources, I am glad to be called before gentlemen who are intelligent, and who are making it their business to apprise themselves, and, through them, the cultivated constituency of the State, of the relations and bearings of this question, and to explain the business and the connections of the company. There is not, to-day, upon the face of the earth, as great a practical railway, or transportation-monopoly of any kind, as that which is now enjoyed by one of the four trunk lines (the New York Central Company) to and from the great West and the States comprising New England, whether considered in the volume of its all-rail traffic, the regularity of its movement, or the value of its imports and shipments. To endeavor to get an alternate outlet and inlet for that traffic, and thus secure what advantages might result from competition, it is my understanding, from a cursory reading of the legislation which has been enacted regarding the Hoosac Tunnel and the state railways, that it was the purpose of the Commonwealth to complete and secure a competing line from the city of Boston and intermediate points, to and from the consuming and producing West, over the whole distance.

So far as the State itself is concerned, it has now entered into competition with its own citizens, and with their capital and enterprises by the completion of a line to the western limit of the State and for the purpose of connecting its great works with the rival lines west of the Hudson River. There are two rival lines, the New York Central and the Erie routes, ready to do this business reaching to and from all points in the West. Intermediate between these rival works of the State and the two rival routes west of them, lies but one line of railroad which, so far, has not been brought into such relations with the Erie and the Delaware & Hudson Canal Company's joint systems as to enable them to develop the tonnage which they stand ready to develop in both directions.

As to the extent of the system reached by and through their joint systems, and their ability to cope with our friends of the New York Central, we say, first, that they desire to enter into active and efficient, but just, honorable and fair competition for this vast business. We are not here to make any extravagant promises as to what we will do; but we believe that our interests, and those of Massachusetts, alike require this mutual and untrammelled channel and means for the interchange of business. If it shall be said by

anybody that the Erie Railway Company cannot do the business, and that it has not or cannot provide the facilities for doing it, I only point to the fact that by the last annual reports of the Delaware & Hudson and the Erie companies, which I represent to-day, their aggregate tonnage west of the Hudson River exceeded the whole tonnage of the New York Central by one and a quarter million tons during last year, and a much greater excess taking the Hudson River as a dividing line for the Central. As to our ability to cope with it in point of distance, I wish to say that the New York Central from Buffalo to New York is 22 miles longer than the Erie. The New York Central seems to have no difficulty in successfully competing for the business between Cincinnati and New York, although it presents a very much longer route for the freight business than that via the Pennsylvania. It also runs through passenger cars, and does everything practicable to secure that business. In addition to these facts, as to and from New York proper, the New York Central has announced its ability to carry property from Cincinnati to New York, a distance of 302 miles greater than the distance from Cincinnati to Baltimore, at a price which is equal to the price which is charged from Cincinnati to Baltimore. If it be true that its line, so much longer and more circuitous, can compete successfully, as it is doing to-day (and as the Erie Railway Company is doing in conjunction with it to-day), for the business of the West to and via New York, I think that the argument that we are from 30 to 50 miles longer than the Central, via Binghamton to the West, is hardly worthy of discussion, and should not be presented by any one in its interest. I understand, too, that the citizens of Boston desire, expect and believe that foreign freights can and should be sent via Boston as cheap as via Baltimore and Philadelphia, ignoring the differences of distance. If you ask a disparity of 100 to 400 miles ignored on this traffic, one of from 30 to 50 miles cannot be worthy your adverse consideration. If the Grand Trunk, with 150 miles in excess of the distance via Albany, is able to bring into Boston 80 per cent. of the live-stock of Chicago, I can see no reason why the Erie Company, 100 miles shorter than the Grand Trunk line, cannot bring you a fair share of that and all other business.

I might multiply these examples, but have taken only the most salient and striking ones. I have prepared hurriedly upon this subject, a very brief statement covering a few points of the differences of distances, which I have more generally referred to. The New York Central road is longer by 123 miles from Cincinnati to New York than is the Pennsylvania. It is longer by 31 miles than is the Erie road; still it does the Cincinnati business successfully. From Chi-

cago to New York the New York Central line is longer than the Pennsylvania route by 80 miles, and longer than the Erie road by 25 miles. It is the established railroad policy of the country that short lines shall make the rates, and longer lines may or may not carry the property at those prices as they shall elect. I trust that nothing further is needed in the matter of distances with the Committee to demonstrate the fact that we stand ready to do this business, and do it successfully.

Now, as to the business which the Erie Company seeks to bring to New England. We have on our line, together with the Delaware & Hudson Company, an aggregate of coal transportation of the last year of more than five millions of tons. What proportion of that may come to New England, how much it may be increased, what can be done to develop its tendency in this direction, and how much we can do to cheapen your fuel, are all questions which I understand are peculiarly within the province of your Committee.

Looking not only at the coal trade, in addition to that tonnage we have upon our line,—at a shorter distance than by the New York Central by more than 50 miles, and nearer the seaboard than the older oil-producing country by more than that,—a production of two or three thousand barrels of petroleum per day, and the quantity increases monthly. That business desires an outlet to New England which we have not been able to give it, and you get none of it via any route.

We have also upon and via our line a live-stock trade which, with the completion of the third rail to Waverley, will enable us to establish live-stock yards at Binghamton, from which animals could be sent to the Albany, Boston, Philadelphia, or New York markets, and we are thus the only one of the trunk lines which could offer that choice to those who desire to ship their stock by rail. When such a choice and variety of markets could be offered, it is reasonable to presume we could give you as much transportation of animals as any other line, if not more.

In addition to these articles, we have the local leather, grain, lumber and other tonnages on our road, which seeks an outlet in this direction, and which at present goes via New York to but a limited number of New England points.

Now, it may be said that even if we have or can secure this large amount of tonnage, what are our connections, by which we can develop them and a Western business? I answer, that we have every Western rail-connecting line that the New York Central has, and one more,—the Atlantic & Great Western Railway. By these lines we reach every point that the New York Central reaches, and many that it does not, always excepting those upon the line of its own road.

In addition to these inlets and outlets, we have a fleet of steamers on the great Lakes, with twice the carrying capacity of the fleet running to and from the New York Central.

It would be strange if, with all the connections which *they have*, and with *one* other which they *have not*, and with a fleet of steamers double the capacity of theirs, we could not bring at least a volume of business to New England which would be not only worthy of your attention, but your strenuous efforts to secure. *That*, so far as the freight business is concerned.

Now as to the passenger business, precisely the same relationship prevails. I refer again to the increased distance over which the New York Central runs. It runs competing passenger trains and sleeping coaches between New York and Cincinnati, Louisville, Indianapolis, and St. Louis, on distances varying from 80 to 120 miles longer than the short routes, and on differences of time varying from 5 to 11 hours. With such marked disparities against it on that traffic, how can it cause representations to be presented to your Committee, with any degree of fairness, that we cannot overcome differences of 30 to 50 miles, and from one to two hours of time, with more certainty and success. It may then be asked, Why have you not before attempted to get an inlet and outlet with New England? I reply that, in coöperation with the enlightened policy of the State of Massachusetts, the Erie Railway Company attempted, under former administrations, to seek, by the Boston, Hartford & Erie Railroad, one of its proposed connections and outlets.

The history of that enterprise is better known to many of you than it is to me, as I was not connected with the Erie Railway Company at that time. It may, however, be safely assumed that the State did not lend its credit and influence to that route, which was longer in comparative distance than the one now under discussion to most Western points, until, and unless its able governors and advisers were at the time amply convinced of both the carrying and competing abilities of the Erie and its connections. Since then, the difficulties which have laid in the way of doing the Western business to the satisfaction of forwarders and receivers of New England have been of a physical character, and such as we could not promise to absolutely overcome until recently. They were, the exceptional gauge of the Erie Railway, which, being six feet, while the connections are four feet eight and one-half inches, required to enter into competition for this business with a delaying and expensive transfer at Buffalo, and another at Binghamton. About a year since, the Delaware & Hudson Company, as lessees of the Albany & Susquehanna road, narrowed the former wide gauge of that road to the

standard gauge of the country, of four feet eight and one-half inches.

Shortly after that time, the Erie Company, under contract with the Lehigh Valley Company, laid a third line from Waverley to Buffalo, a distance of 170 miles, and further extended it to connect with all the Canada roads, via both routes that cross the Niagara River at the International and Suspension bridges, giving us a narrow-gauge line of 200 miles. This track has been laid in the midst of the greatest financial and transportation depression that this country has seen for years, which seems proof enough of the vitality of the Erie Railway as a competing route, and of its ability to deal with this business if it can find the necessary and harmonious connections through the Tunnel. When it was found that the altering of the two gauges, as stated, had brought the narrow-gauge system of the entire West within forty miles of uninterrupted communication with you, our attention was naturally again drawn to the vast traffic of New England, the thought and fact being if that forty miles could be provided with a corresponding narrow-gauge line, we would be able to transport all kinds of property,—oil from the wells, live-stock from their grazing-grounds, provisions from the packing-houses, and coal from the mines,—and deliver them all to your citizens at their homes and marts in New England, and take their manufactures in return, by alternate complete narrow-gauge lines between you and the West, which would accomplish the purposes which the State has long and wisely had in view, and labored and spent millions and years to secure. At the time that this matter presented itself anew, and thus definitely to our minds, a discussion was had with our receiver upon the question (the road having two years ago passed into the control of the courts); and in passing through Boston, some nine or ten months since, I had the pleasure of an informal conference with the president of the Fitchburg Railroad Company, who, in the fair spirit in which he has heretofore met the questions presented to him by the Erie Railway Company, or to anybody in connection or absolute interest with his road, entertained the proposition promptly, and stated that he would be glad to have the representatives of the united companies west of the Hudson River pass over his line, and see if mutual arrangements were desirable and could be made for the benefit of the trade and of all parties concerned.

His questions were then mainly directed to our ability to form this physical connection, and as to the difficulties which might arise from the exceptional gauge still existing between Waverley and Binghamton, over the forty miles. Being unable personally to pledge a change of that gauge between those points, I returned to

New York, and in discussion with our receiver, was authorized by him subsequently to say, that within thirty days from the time when any such arrangement could be made as would give us the inlet and outlet to New England upon equal, fair, and permanent terms to justify, that rail should be provided and the gauge so narrowed, and under orders of the court, could and should be laid. That assurance removed the last possible objection that could be made by transporters, or by any one who desired to compete with existing routes, for the accomplishment of which purpose your grand old Commonwealth had for fifteen years labored with its best brain, and for which she had expended \$15,000,000. After farther conference with the Fitchburg Company, a trip was arranged and made for the furtherance of this undertaking and purpose. Mr. Pullman, whose name is well known to you all, Mr. Dickson, the president of the Delaware & Hudson Company, and myself, with other officers of the companies interested, and constituting a positively authorized representation—and I will use the term authorized advisedly—of all the traffic departments of the united lines west of the Hudson River, came east and looked over the ground carefully, via the Tunnel. We were unfortunate in not having the coöperation in our efforts at that time of any of the officers of the Troy & Boston road, who were unexpectedly called away on other business. To say that we were gratified at the extent of their terminal facilities which were presented to our attention by the Fitchburg officers, at the excellence of the roadway and superstructure, the comprehensive advantages possessed by the Fitchburg road to receive, deliver and forward your merchandise, is only to do justice to the management and prevision of that company. In the completeness of its stock-yards; in the facility of access to the different streets of Boston; in the neutral fairness of its management, and the tone that pervaded every discussion of its policy that we had with them, we had nothing left to ask or fear if continued. The president of the Fitchburg Company was kind enough to take the company of gentlemen, and return with them to Troy, where, after a discussion with our friends of the Troy & Boston road, the main facts I have now presented and will present,—and there are those in the room who can verify them, if desired,—were stated to them, to which we received for answer, that at the excessively low rates then prevailing, there was nothing in the situation to justify the opening of an additional line between the West and New England; that had the New York Central Company offered the formation of this Hoosac line at the low rates then prevailing, the Troy & Boston Company would have declined to enter into the negotiations, or the line. It was understood by us at that time, that on the advancement of the

rates, and the cessation of the railroad war then prevailing, the Erie Company and the Delaware & Hudson Company would hear from the united line east of Troy as to its future policy, and I left with the expectation that we would soon be able to utilize the route between the West and Boston harmoniously with all interests. The railroad war ceased, as is generally known, early in December.

Prior and subsequent to that, however, the rates which had ruled as low as twenty cents per hundred pounds, from Chicago to New York and Boston, were advanced to thirty, and thirty-five, and later to forty cents; but no advices were conveyed to the Erie Railway Company, directly or indirectly, by the Troy & Boston Company, that its line was then, or could be at any time, prepared to receive the business from us, which in the October previous it had declined and delayed, ostensibly for the reasons stated.

Still desiring to get this connection, we opened a renewed correspondence with the Fitchburg Company to ascertain if in the altered relations and status of the matter, the rates, etc., we could get such a line as we desired; and in justice to our friends of the Fitchburg Company, I read the response of the president of that road:—

PRESIDENT'S OFFICE, FITCHBURG RAILROAD, }
BOSTON, MASS., March 1, 1877. }

G. R. BLANCHARD, Esq., *Erie Railroad Company, New York.*

DEAR SIR:—Your letter, under date 24th inst., is at hand, and contents noted.

I am perfectly willing that your company should have the same rates as any other does over the lines which we control; and at the next meeting of our board of directors will have this officially confirmed.

Mr. Robinson will be here in a few days, and I doubt not he will be willing to make a similar agreement.

I am yours truly,

(Signed)

WM. B. STEARNS, *President.*

That, however, brought us a pledge only so far as the companies under the control of Mr. Stearns were concerned, although he expressed a belief in the like policy of the Troy & Boston Company, which its acts and testimony before your Committee have not only not sustained, but which he has antagonized. The Erie Company then asked Mr. Stearns whether or not that letter covered the whole line from Troy to the termini of his roads, or whether it would require independent or other negotiations with the Troy & Boston road. He replied that Mr. Robinson, of the Troy & Boston, understood that a contract had been made with the Delaware & Hudson Company which might be construed by the Troy & Boston Company to cover that business, although he did not so construe it. Upon returning to New York, I saw the president of the Delaware &

Hudson Company, and stated to him the information which I had learned in Boston just repeated, and asked him if it was his understanding that his proposed contract would cover our through business. He stated that, although neither the Fitchburg road nor his own company had provided in the proposed contract for any minimum rates, when the contract reached the Troy & Boston road, it was at once stipulated by the latter that no property should pass over its line at a less rate than one cent per ton per mile to or from the Delaware & Hudson. It was, however, his belief and assurance that this applied solely to business originating upon the lines of the Delaware & Hudson Company.

Mr. Dickson has reiterated this belief and these facts to me in his office, during the past week, confirming Mr. Stearns in that regard. Contrary to both these beliefs, it is now stated to us that the vice-president of the Troy & Boston road understands that this minimum *does apply* not only to the business originating and terminating upon the lines of the Delaware & Hudson Company, and other parties to the contract, as Mr. Stearns and Mr. Dickson both understood, but is made to apply, sweepingly and unexpectedly, *to all business which comes via that line, thus barring us out of the traffic.*

Now, I have only been able to arrive, in the most cursory way, and after the most hurried reading, at some of the testimony which has been offered before your Committee. What we have asked, what we think we had a right to ask, what we think the State reserved the right and should feel it a duty to ask and provide for us, what the Fitchburg Railroad Company conceded promptly, what we think every merchant of the State had a right to ask and insist upon, was, that the lines from Troy eastward put, so far as connections westward were concerned, the Erie route upon precisely the same terms as any other most favored, not only in fact and act, but in spirit and coöperation. If the Erie Railway Company and the Delaware & Hudson Company, through any physical or financial infirmities, any difficulties of grade, distance, or anything else, then fail to deliver and take the property which requires their services for its transportation, *that* is a matter for us, but not for our rivals, to regret. I am, therefore, disposed to doubt the accuracy of testimony reported to me as given here, that any gentleman comes before the Committee and says that the same offers *have* been made to both lines, and then proceeds in the next words of his argument to maintain that we cannot give them any business! We hardly think that is what the Committee are here to concede, if he does.

Either we *have* or have not facilities, and *can* or *cannot* secure a fair share of this great business. If we *have* the ability, and *can* secure the business, I point to your state legislation and policy—

and the fact stated by the gentleman himself, that he has offered us in the past what he then believed us entitled to—to prove that we *are* entitled to equal rates, time, facilities, and treatment from the Troy & Boston Company and all its eastern connections, and ask in default of receiving it, the State to enforce its and our mutual rights in the premises. If, on the other hand, we have so many disadvantages that we cannot handle or receive the business, what harm can come to you, us, to them, to our rivals from giving these rights to us?

In either case, we are equally clearly entitled to them, so far as we are concerned; we have, and we *know* that we have (it is not a matter of surmise with us, as with our critics),—we *know* that we have transported during the last year, six millions of tons of merchandise; within three-quarters of a million of tons of that transported during the same time by the New York Central, with its vast New England commerce.

We *know* that all these local resources exist within, of and by ourselves; we *know* that the aggregate of our tonnage amounts to so much, and all we have to ask, and all we *do ask*, is, that the State of Massachusetts, and the citizens of New England generally, who are reached by the way of the Tunnel, shall have the right to take this property from or to Troy via our route if they desire, not with any minimum rates interposed against any one line which is not applied to all lines, but upon precisely the same terms, conditions and provisions, in every respect, that property is taken from or to the like points of connection with any and all other lines. That I am here to ask in the name of the Erie Railway Company, and in the name of the Delaware & Hudson Canal Company, and the public who desire to use them; I am *not* here to go any further than that. I am here to respectfully urge and insist upon that. I am not here to ask any questions relating to the use of the Tunnel, or to urge or demur to any disposition proposed by this bill towards the Fitchburg Railroad. I am here to make the gentlemen of the Committee acquainted, if practicable, with the resources which are outside of, but knocking at your doors and asking to be admitted to your towns through the now locked gates of Troy, and to expose, if I can, the fallacies which keep them locked to us, or when we ask for a key, give us one that will not fit or open them.

Mr. Chairman: We understand, and we presume the Committee equally comprehends, that as the New York Central Company now enjoys the monopoly I have referred to, and is and will be jealous of its continuance, it will seek to inspire, and possibly has already inspired, the opposition to our entrance to New England by this or any other route, such policy, unwisely as we think, being

regarded by it as to its interest. Is any more complete answer required to the suggestion, that we cannot get or do New England business?

They *know* we can. They meet us in actual rivalry at New York, Buffalo, Rochester, and every point west of Buffalo, and they do not underestimate or belittle our carrying ability; and if they did, the facts stated and our relative tonnage would controvert them. In this one regard, the testimony of their acts is more significant than the comments of those to whom our through competing traffic is new and comparatively unknown, or the result of but a year's experimental knowledge of but one route.

To perpetuate their almost exclusive access to this traffic, the Erie Company has the light of its past rivalry with that great company to point our surmises as to their probable course in this instance. We have had parallel instances of opposition in the West, where they and we both now use in harmony the same lines. They have in the West intimated a withdrawal of their traffic from certain lines in certain contingencies, but in none of them have I ever known such a course to be actually inaugurated. Although the New York Central interests, policy and management have controlled the Lake Shore road, and through it great tributary interests, they have wisely refrained from any course of discrimination against our large traffic over that road in either direction. If in its New England policy, and to preserve its control, it has caused any gentleman present to anticipate a withdrawal of its traffic from the Tunnel route, and such fears discolor the native hues of their resolution, they should be disregarded. Even anticipating in this direction a positive withdrawal, it is my belief that the routes I represent can promptly replace every ton of freight so diverted, and if done, you would have the veritable, absolute and continuous competition you have desired. No such contingency need be anticipated. Is it presumable or probable that after contesting our entrance, because of the value of the trade, it would voluntarily abandon it to its rivals, and refer forwarders to us for cars, rates and facilities, or that it would cancel its contracts for the organization of the Hoosac Tunnel line? If it did so, the cars of neutral connections could and would be transferred to our line, we would replace those which were withdrawn, traffic would go on uninterruptedly, and you would be the gainers to that extent.

I wish to state one other view which seems in striking contrast to the exclusive policies I have outlined and deprecated. The president and managers of the Erie Railway do not believe that policy is wisest which shall undertake to exclude from this important section of country any rival railroad interest. We are, there-

fore, here to say at the outset, that, believing our interests lie where the largest aggregate of tonnage is, if the secondary purposes of this proposed line can be attained, by which the Pennsylvania Company will come across to intersect us from its line, and the Delaware & Hudson Company, also at or near Binghamton, using, as has been proposed, part of the Erie Company's line, we shall welcome it and be glad to have it done, and be glad to have our friends east of Hudson River united with us in this business upon the equal terms upon which we shall ask to have it done for us. We believe in the exercise of a wise, broad and liberal policy. We believe that that policy is best for us and the State and its people which unites and reconciles these lines; and we hope that nothing will be done or permitted to be done, or left undone, to prevent the consummation of that uniform result and policy.

I have stated this in my position as director in the Boston, Hoosac Tunnel & Western Company, and nothing should be done on the part of the State that will prevent it from welcoming all these railroads,—the Pennsylvania, the Delaware & Hudson, the Erie, or any others that propose to come and deliver, or take your business.

Now, upon one or two other points relating to our ability to do this business, I noticed, very much to my surprise, by the report of the managers of the Hoosac Tunnel line, that there crossed the Hudson River, last May, 19,000 tons of freight, and but 13,000 tons in the month of December. In May, navigation was opened, and much property may be supposed to have gone around it; but in ten months they had reduced your tonnage 30 per cent., and the statement of the west-bound business which is going through the Hoosac Tunnel shows that you did less business in December, from Boston, than you did in the previous March by the Hoosac Tunnel Freight Line, and a great deal less than was done in the same months by the Erie Railway westward via New York, while we had only Boston to draw from, and the Tunnel line, Boston and all the inland points as well. Is this the great and growing freight line which has been heralded and displayed as your commercial champion and conservator?

Now, if anything else is needed to convince you that the Erie Railway Company can get and move New England business, it is the fact that it is to-day taking property from Boston to Western cities upon a line differing but a mile or two in length from that of the Grand Trunk, which does a large share of your business; and that after the Hoosac Tunnel had been open for seventeen months, and the Hoosac Tunnel Freight Line had been in operation a year, the Erie Railway business, upon a broken rail and water line, requiring water transit by way of, and a transfer at, New York,

was much more than the whole of the Western business of the Hoosac Tunnel Fast Freight Line.

Farther, upon the subject of the Hoosac Tunnel Fast Freight Line, the facts, so far as these lines are concerned, are (as perhaps the Committee may understand, and will pardon me for repeating), that they are formed by an aggregation of the railway companies, each company contributing according to the basis of its earnings, or upon some other reason or policy, or from some other standpoint, cars in certain numbers and proportions to the development of a joint business between certain points. The Erie Railway Company has running over its road to-day such fast freight lines, which are the oldest of all the lines, and as large as any. It has recently consolidated four of them into one, each of which had, at the time of amalgamation, more cars in it than there were in the whole Hoosac Tunnel line at the same time.

Now, there are in our *one line* north of the Lake an aggregate car equipment of 4,000 cars. The Great Western Dispatch, a corresponding line on the south of Lake Erie, operates an equal number, not all its own cars, but by bargain operates the cars of other companies. Those organizations are in full tide of success; and by the friendship of their connections, and by their policies, for periods ranging from four to fifteen years, they stand to-day not as experiments, not as new lines, not like the Hoosac Tunnel line,—but about a year old, with its way to make through the Western connections,—but with an absolutely secured business, their agents recognized before the people as responsible, their bills of lading fulfilled, and ready to solicit and give customary transportation contracts, and carry on your business, and protect it to your satisfaction.

Now, if so much credit can be claimed for the Hoosac Tunnel Freight Line, during a management of about a year, however effective it may have been to satisfy its patrons, with so small an equipment, why may not the Erie Railway Company present to you, gentlemen, aggregated lines, with an age of from four to fifteen years, with 8,000 cars, and state that those lines and companies, being ready to enter into this competition and business, are prepared to fetch and carry a great amount of traffic, which you may or may not have had before? At all events, if you get business which any one else has transported before, it will give you whatever advantages there may be in honorable, fair and energetic competition.

There is one other important view of this case. There are now running via the New York Central and Boston & Albany route, seven fast freight lines; viz., the Merchants' Dispatch, the Red Line, the White Line, the Blue Line, the International Line, the Canada

Southern Line, and the Milwaukee Line; and via the Tunnel but one lonely line, the Hoosac Tunnel Line.

It is our purpose to reverse this disparity and discrimination, and give to your Tunnel the business now under two which was formerly under seven lines; viz., the Great Western Dispatch, the South Shore Line, the Erie and Pacific Dispatch, the North Shore Line, the Diamond Line, the Commercial Express, and the Erie and Milwaukee Line.

In view of this fact, is it possible that, by such a reversal, the combination of our lines cannot give the Tunnel as much business as its one newer line? The general manager of the Hoosac Tunnel line was formerly in a position on the Michigan Central where he knew and could tell you that to and from the territory the Erie lines had access to, over that road, we did more business over it than did the New York Central, and in both directions.

There are one or two other points upon the general subject which I wish to refer to, which relate principally to our passenger traffic. At the interview in Troy about the 6th of last October, Vice-President Robinson stated that the contract of the Troy & Boston road with the Wagner Company had not then been consummated, although terms had been pretty thoroughly discussed.

We stated, Mr. Pullman for his own company, the representatives of the Erie Company as to the precisely similar cases it had had in the West, and the Delaware & Hudson Company for itself, that we did not ask that the Troy & Boston road should decline to run any cars that the New York Central offered; and we were not there to make any objection to whatever sleeping, smoking, baggage, passenger or freight cars the New York Central offered to or proposed to receive from the Troy & Boston. We desired that the Troy & Boston should continue to receive the latter, so far as anything that we would have said might have affected this issue pro or con; but we then asked that their line should not be sealed against receiving the cars which the Delaware & Hudson Company and the Erie Company might at that time have contracts with, or might thereafter contract with and offer to deliver to or receive from the Troy & Boston Company upon precisely the same terms. We understand that since then and quite recently, a contract has been signed by the Troy & Boston Company with the Wagner Sleeping Car Company by which the latter is to have exclusive rights over that part of the line between the Hoosac Tunnel and the Hudson River, notwithstanding the representations and protests which were made at Troy as stated.

The statements which were made at that time, as to the ability of the joint line to secure passenger business, referred not only to the

passenger traffic which might be received from or sent to the Erie road west of Binghamton, but to that possibly equal traffic which could be done to and through Scranton or Wilkesbarre and the coal regions, for the newer commerce of that people with the people of New England. We did not, at that interview, make any suggestions inconsistent with those made to-day, that they should throw open their line to all that desired to do business with them on like terms.

I desire to do justice to the Fitchburg Company in this connection, by saying that only two or three weeks ago I was shown the contract with the Wagner Company, by which the Fitchburg Company, in the exercise of a wise policy and, as we desired, throws its line open to all companies, with the same liberality which had been exercised on our Western part of the line.

The exclusive demand made upon the Troy & Boston Company was also made upon it, but failed in its influence, and the accepted clauses of the contract were shown to me, which enabled that company to run other through cars into New England upon the same terms as the New York Central, which is all that we ask over that part of the route. We have not urged or undertaken, at any time, anything inconsistent with that view.

Now, upon another point that I see noted in some testimony that I hurriedly read over this morning,—if at any time the Erie Company proposed to deliver any fixed quantity of freight to the Troy & Boston line (which I do not personally remember), the geographical and physical difficulties, which I have before explained to have existed at that time, but which now have been mainly, and can be entirely removed, and which we agree to remove, have accounted for the failure. If, however, we did not at that time deliver 200 cars, and the argument based therein is good for anything, it is, on the contrary true, that during the month of February, 1877, we delivered to the Troy & Boston road, without any connections or arrangements, and upon its arbitrary rates, 300 cars from or via Chicago, in competition with the New York Central and the Boston & Albany. That we did not only in the absence of any encouragement, but against the discouragement with which you have been made familiar.

Now, is it more than fair to presume that if we could do that in the absence of any participating arrangement, we could deliver a much greater amount if we had active coöperation, and these works of the State were thrown open to receive them? and if we did not deliver 200 cars at one time, and did deliver 300 cars at another time, our side of that argument is worth just one-half more than the other.

In addition to that special lot and traffic, we are at this moment in successful competition at all points in the West for the traffic of Albany, Troy, Cohoes and Schenectady; and I may state as a fact, that for the two years prior to 1876, and at this time, the Erie road and its connections transported and is transporting the cotton for the Cohoes Mills from Memphis. If we could and can do that with our own business, why could we not extend our connections to New England with equal success, both for our own interests and for yours?

I desire again to thank the Committee for their kindness in hearing me, and to disclaim any intention of doing anybody any injustice. I have, perhaps, replied by inference, rather than directly, to some of the testimony which I have read in the abbreviated and imperfect reports of newspapers. If those reports are not to be relied upon, if anybody desires to ask me here any questions, or have me make any explanations of what I have said, or in any way elucidate any of the points that I have briefly adverted to, I shall take great pleasure in doing it, or in withdrawing anything that has been unintentionally unjust to anybody.

I have tried to be exactly fair in representing the just and proper policy of the Fitchburg Company.

I have tried to fairly represent the difficulties we have encountered in trying to come into New England and shake hospitable hands with you, and I have not sought to overestimate our ability to deal with the business, and have put our competition with the New York Central (with whom our relations are of the most friendly character) fairly; and I believe that I may here say that the general freight agent of that company being at my office yesterday, I asked him to be present to-day and hear what I had to say, understanding that he was invited by other people, and I stated to him that we were seeking this line as an inlet into New England.

It is with these purposes, and because our company is before the courts, that I asked of your Committee the courtesy of having what I should say to-day transcribed by a stenographer.

Q. (By Mr. Burr.) Mr. Blanchard, you speak of this delivery of freight through to Albany and Troy as obtained by your freight agents at the same cities and places where the New York Central have their freight agents?

A. Yes, sir; exactly.

Q. That is: It is competing trade now with the Boston & Albany, receiving their freight by the New York Central, and the Hoosac Tunnel line receiving theirs by the New York Central,—how do those two lines, fed from the New York Central, compare

with your line and its advantages for securing freight for New England over the Tunnel route?

A. I don't know that I clearly understand your question.

Q. It is this: Every agent that you have at the West to-day, in every city, is free to act to secure New England freight over your Hoosac Tunnel line?

A. Entirely, sir.

Q. Every one of them? The New York Central and their agencies cannot act in this capacity, can they? They cannot act for both roads?

A. I will explain and repeat. The New York Central has, at this moment, eight fast freight lines. One of those lines, and one only, with one set of agents, is prepared to solicit business to pass through the Tunnel, and the other agents solicit exclusively via the Boston & Albany route. With the Erie, the situation is to be reversed. Every agent that we have would be prepared to solicit business via the Hoosac Tunnel line, and, at this time, none whatever via the Boston & Albany; for we have a force of agents from all points, from St. Paul to New Orleans, engaged in the soliciting of this business, with the ability to make freight contracts, those being secured by contracts between those railway companies for the organization of those lines, and the business put through the Hoosac Tunnel by all these lines, and I say that you will get the business which, two years ago, was done by six or seven lines, whereas, now, you get but one.

Q. Wouldn't you under this arrangement,—Col. Scott and Mr. Garrett agreeing to send the Pennsylvania freight,—also get the benefit of all the Pennsylvania lines, and reach this northern part of New England?

A. Speaking for the new line, it would get all that business, as well as the business of the companies which I have represented. Perhaps, in amplification of what I have just stated, I may further state, that I see it mentioned in the testimony of my friend, Mr. Washburn, manager of the Hoosac Tunnel line, that they have recently determined upon an increase of equipment, and it is his belief, here at all events, that the Erie cannot get its share of the traffic over those lines by reason of its difference in distance. Mr. Washburn, as I have before said, knows, or should know, our carrying ability, actually and comparatively, from his former relation in the Michigan Central line to our company. Also, I wish to add, that within the past month, the two general freight organizations which we have,—the great Western Dispatch Consolidated and the Erie & North Shore Dispatch Consolidated,—have held their annual meetings, at both of which views were expressed, stating the pleasure with which

our Western connections heard that there was a probability of getting a New England line ; and the individual members at those meetings, comprising a very full interest, with, perhaps, one or two exceptions, stated their readiness to coöperate to do a very large New England business via our route, and to put their agents into our line, if desired, upon the same competing basis that agents operating by the New York Central would be. That would be the last thing necessarily required to put this traffic upon the same basis as the others.

Q. That would put Boston as a competing point for the business of all these cities of the West, upon the same basis that New York is to-day with the Erie and the New York Central?

A. Yes, sir.

Q. Boston would have the two independent competing lines with all their agencies fully established?

A. Yes, sir.

Q. You say that you are a director in the Boston, Hoosac Tunnel & Western. Has there been at any time any desire expressed by the gentlemen of that board to obtain in any way any exclusive control of the Tunnel?

A. Not to my knowledge. And I would not have concurred in it if there had.

Q. Then, as to the connections across from Schenectady to the Tunnel line, that that road should be built for the purpose of giving the Erie and its connections an inlet with Boston,—that was the idea that was originally started, was it?

A. Yes, sir.

Q. Have you heard of any change of plan in that matter at all?

A. None whatever. I heard it reiterated this morning.

Q. Now, taking the connections from the coal-fields, local freight through New York, and freights which you can give, and judging by your capacity of doing business, and judging by what you know has been done and is being done to-day over the New York Central (it has been stated that two-thirds of the freight by that road was for New England connections), what should you state that it was reasonable and probable that this line could do for the Tunnel road, and the city of Boston, in one year from the time when it was opened, supposing freights to go as they have for the past six years?

A. I am entirely within the limits of probability in stating that we would double the present business of the Tunnel within less time than its present organization has reached the present tonnage. I mean that the aggregate of traffic over the Delaware & Hudson and Erie railways, and their connections, would double the freight business the Tunnel would otherwise receive.

Q. Is there any reason why, after it is once established, this line

should not have for itself as great an increase as the New York Central?

A. I know of none.

Q. Should you have any reason to suppose that the New York Central would not use the Hoosac Tunnel, or would not have its Hoosac Tunnel line operated?

A. On the contrary, we believe and prefer that it should, for the reason that when we meet an organization like that, supported by a great company like the New York Central, we are always safer in competition with such a route. We can give shippers the advantage of two lines. We can act in harmony with the other party and give them the cars, or *vice versa*. I wish to say more specifically than I have said, that, referring to the conference with officers of the New York Central at my own office, yesterday, there is at present a disposition to harmonize those interests which has never been known to me before. We have no objections, no criticisms, no policy hostile to that of the Hoosac Tunnel Fast Freight Line except fair business rivalry.

Q. Is there any way that this coal transportation, both anthracite and bituminous, can reach the Hoosac Tunnel and the northern parts of Massachusetts as well as over your road and over the Delaware & Hudson Company's?

A. I know of no route; but upon that subject of coal routes, I would not want to speak without being prepared to correct my statements; because, never having transported coal to New England, or been connected with the transportation of coal to the East in this direction, I could not answer definitely. A great deal of coal seeks the Hudson River; a great deal would follow this line. The present idea of transportation is altogether in favor of "all-rail lines" over water lines, and the value sent and tonnage are growing in that regard by all routes.

Q. Taking the region reached by the Albany & Susquehanna, and brought into connection with your road, state whether that region is connected directly by this means with all the bituminous and anthracite coal-fields of Pennsylvania, and whether the Erie road has its connections directly with all those coal-fields?

A. I think that every coal-field is directly accessible to us, except that reached by the Reading road.

Q. All that comes north can come by the lines of your road towards New York.

A. We transport between the same coal-fields that the Delaware, Lackawanna & Western Railroad does. We are transporting the coals of the Lehigh Valley Coal Company, and of the Pennsylvania Coal Company, both eastward and westward, and have upon our

road the combined shipments of more of the coal companies than is upon any other road in the country.

Q. (By Mr. TORREY.) I understand, Mr. Blanchard, that you are perfectly satisfied with the policy of Mr. Stearns in managing his part of the line?

A. Entirely so, if persevered in and it remains unchanged.

Q. And you think, that, under the management of Mr. Stearns, who manages it from North Adams to Boston, you can get all the facilities you require from Fitchburg to North Adams?

A. We think we could if Mr. Stearns stays there, and the policy of the road remains as it now appears.

Q. You would not deem it necessary, for the success of your enterprise, to take the Fitchburg road out of the hands of its present management?

A. I should say not.

Q. (By a member of the COMMITTEE.) What freight did you charge Mr. Garner for his cotton?

A. I could not tell you. That is matter of detail that I would be happy to answer, if I could.

Q. (By Mr. BURT.) You took that in competition with the New York Central?

A. Yes, sir; at as low rate, and made as good time, and delivered it in as good condition, and took the dry and manufactured goods back in the same way.

Q. (By Mr. GUINN.) If I understand you, you have a third rail from Binghamton now in connection with the West, with the exception of a distance of about 40 miles from Waverley, thus requiring no transshipment of freight?

A. Yes, sir.

Q. Can you tell me, in a word, how much the equivalent of your transfer of freight to the steamers will represent in mileage of road, in cost at New York?

A. I could not, accurately, without computation; but with a Yankee guess (to which I would not like to be held), I should say 50 to 60 miles.

Q. It costs about the same to transfer from one system of cars to another?

A. No, sir; about one-fifth by our routes, for the reason that at New York we have to transfer by barges across the Hudson, while the cars are placed alongside of each other.

Q. The charges pro rata over your line of steamers are as about 140 miles of road, as I understand it, with Boston?

A. A little more than that.

Q. In the Windham report it was stated as 140 miles?

A. Yes, sir; it was subsequently changed.

Q. Counting from Binghamton, then, you have, at present, a connecting line; it is 211 miles to New York, I believe; that, and 140 would be 351 miles to New York of that distance,—your present connection?

A. Yes, sir; to which you should add the cost of the transfer in miles.

Q. That, at 50 miles, would be somewhere near 400 miles?

A. Yes, sir.

Q. Why would you prefer to leave your own freight to pass at Binghamton, with that transfer, rather than carry it to New York over your own line?

A. Because we cannot get a certain class of traffic via New York, on account of the transfer. People will not consent to the transfer. I mean that our share of the increase of traffic could not be secured via New York. Grain could not be transferred, and is not transferred, and the shippers prefer that flour and other kinds of provisions should not be transferred. It is only a few classes of freight that will stand the transfer.

Q. The grain cannot be transferred?

A. No, sir; the boats have no arrangements for carrying grain in bulk.

Q. (By Mr. BURT.) The narrow-gauge connection that you would have to Boston over the Erie road, and your agency, is an exclusive one? You have no narrow-gauge to New York?

A. None whatever.

Q. (By Mr. GUINN.) From Binghamton to Williamsport, what is the projected road there? Is that the Erie?

A. That is in the interest of the Pennsylvania Company.

Q. The understanding is, that they will make the connection coming up by Owego?

A. Yes, sir; near Waverley.

Q. And in that the Erie road stand entirely ready to receive them?

A. Yes, sir; and give them a transportation over their tracks, if it be only for five miles.

Q. Perhaps I was not fortunate in being here on time, but Mr. Robinson testified the other day that he was perfectly willing at all times to give you the same facilities that he gave the New York Central, on the same rates, to carry freight coming from your road on precisely the same terms; and that, so far as he knew, the Fitchburg road was ready also, except with reference to the Pullman cars. If I understand you correctly to-day, you say that all you ask is the same thing.

A. That is what we have asked, and that is what we cannot get.

Q. Now, I do not clearly apprehend where the difference is between you. What is the matter?

A. One thing is the imposition that we are advised of, of an arbitrary rate, at a minimum price of one per cent per ton per mile between Troy and North Adams, if I understand the points of connection correctly; and the other is, that they throw the line open to the Hoosac Tunnel line without the imposition of such, or any other, arbitrary rate. They do not charge that, or any other specific price, but pro rate with the New York Central, no matter how low the rate goes, so they may, if competition goes as low this year as last, be receiving less than one-half as much from the Central as they demand from us, there is therefore that much, and may be more or less, clear and absolute discrimination against the interests of the Erie and Delaware & Hudson companies and their connections on the same business.

Q. Then we are at issue here, if I understand?

A. If any statement contrary to mine has been made, we are decidedly and widely at issue. That is the gist of this whole discussion, and I can readily substantiate my statements. I have before read to you the letter of the president of the Fitchburg road, dated the 1st of March, in which he states that he will pursue a neutral policy. I now desire to present his other letter,—the letter in which he states that the Troy & Boston road will not pursue that or any other pro rata policy, but exact from us a minimum rate, not charged to others. It is as follows:—

[Copy.]

PRESIDENT'S OFFICE, FITCHBURG RAILROAD, }
BOSTON, MASS., March 6, 1877. }

G. R. BLANCHARD, Esq., *Vice-President Erie Railroad, New York.*

DEAR SIR:—In reply to your letter, I have seen Mr. Robinson and he considers our contract with Delaware & Hudson Canal Co. fully covers the ground, and we are authorized to take freight at Binghamton from the Erie and other roads, at rates not less than one (1) cent per ton per mile.

I am, very truly, yours,

(Signed.)

WM. B. STEARNS, *Pres't.*

I have stated, and reaffirm, that the president of the Delaware & Hudson Company told me he had no such understanding when he originally provided for the contract referred to in this letter. I have stated that when the contract left the hands of the Fitchburg Company, the objectionable minimum was not stated in it. I have also stated that the minimum was inserted in the contract—if I am

correctly informed—by the Troy & Boston Company. I refer you to the letter of Mr. Stearns, March 1st, saying he had no doubt Mr. Robinson would put us on even terms, and you can compare the two and see how Mr. Stearns must have been disappointed. I now state that if the arbitrary minimum had been inserted at the suggestion of any rivals of the Erie Company, it could not have been more successful in accomplishing a purpose hostile to us, and in inducing this discussion to-day. One of the members of your Committee stated, a moment since, that Mr. Robinson has said he offered us the same rates he gave others. I refer you to the above letter for answer; but if President Stearns misunderstood him, I ask, not merely why he suggested and put in so high a relative minimum, but if neutrality was his purpose, as you have stated he said, why did he permit *any one else* to insert any minimum against our route, which was not charged against all routes? If I have done any injustice to the Troy & Boston Company or its officers, I wish to correct it, here and now, and withdraw any statements which I have made which would have that effect, if Vice-President Robinson will show me my error.

MR. GUINN. May I ask Mr. Robinson if he can correct that in a word? I may have misstated what he said.

MR. ROBINSON. I state here, before the Committee, that at an interview I had with Mr. Blanchard in February, 1875, I gave him *carte-blanche* to bill freight over our road, at precisely the same price that the New York Central and Hudson River roads did; that at two other times I had given him the same privilege; and that during that time, notwithstanding that I understood him to have a large amount of freight to send us, naming the number of cars, and introducing me to his freight agent, who said he was on the way to Troy to make negotiations with me, but on account of my absence in New York he was unable to see me. From that time to September, 1876, not a word had been heard from the Erie Company; not one car of freight had been tendered this line; and that no business in name or nature, or a letter even requesting, had ever come to me; and that in September or October, Mr. Stearns and Mr. Dickson and Mr. Blanchard and Mr. Pullman visited me; and I explained to the board then that the point of my real difficulty was the car business, which I entered into very thoroughly, and at that time stated what Mr. Blanchard has just stated,—that if we had any one come to us and ask us to form a line at the present rates, I should hardly have dared to do it. But Mr. Dickson says to me, "At any time when these rates come up, are you clear that you are ready to form a line at one cent a ton per mile?" I said, "Yes, sir." There was not the slightest pledge on our part to open negotiations. I suppose they would do it to-day.

Now, we were placed in this position with an objecting company, and one that had not for one year given us one car of freight. Being placed in that position, I had to decide that it was for our interest to continue with the New York Central Company. I then referred to that book where the commissioners say that it is a grave question for that company to decide with inchoate roads. Now, I say at that point, that if the Fitchburg road, by a Committee representing the Commonwealth of Massachusetts, will examine this subject with me, and will say that it is for the interest of this line to be open to all parties taking the consequences, our line should be laid right down for the services that these desire,—that was my position.

Q. (By a member of the COMMITTEE.) Then you are still ready to take freight, provided the Fitchburg Company will?

MR. ROBINSON. Yes, sir. And if the State thinks it is for her own interest. Here is a line that commences negotiations with us, and has put in already 1,400 cars, and is ready to double it, and here is another line that lies outside of it, and has never done any business with us. When we accept that line, we shall have had a meeting and understood it. I want the parties here to take the responsibility. I don't want them to throw it upon me. I mean by this, that the experience of the last year shows, that one road has been giving us business to live on, and the other has been giving us nothing. You have asked for a statement of my position, and it is there.

THE CHAIRMAN. This is the whole point, that you are afraid that if you allow the Erie freight to come over your road in competition with the New York Central, the New York Central will turn against you, and you feel that you have got to take your chance between the New York Central and the Erie.

MR. ROBINSON. Yes, sir.

Q. That they will withdraw?

A. Yes, sir, that they will withdraw; and when the responsibility is placed upon me I take it. I have stated at all times that when the Fitchburg and the rest of the line thought it was for our interest to take it, I was willing for our road to be put right into the line.

Q. You say you don't want to do it without the State or somebody else is behind you?

A. Not unless some one will stand this.

THE CHAIRMAN. *I understand that Mr. Blanchard's statement is substantially proved correct, that your line did refuse to take freight at less than a minimum of a cent a ton per mile.*

MR. ROBINSON. That had just simply this reference: Mr. Stearns

*

produced him the contract which I gave him *carte-blanche* to make. I was in conversation with Mr. Dickson. I said, "Do you propose to give our agents the right to carry that freight at less than cost?" He said, "Most certainly I do not." And I said that one cent a ton per mile was as little as I wanted to take it for. He had that inserted in it, not at the suggestion of myself, or of any one. It was only to break the line.

Mr. BLANCHARD. The remarks of Mr. Robinson are easily answered. The occurrence of February, 1875, to which he alludes, I now remember to be this: The manager of one of our freight lines came and said he could get 200 cars of New England freight, if he could make certain arrangements, and I told him he had first better go to Troy, and be sure the Troy & Boston Company would take it. Meeting Mr. Robinson, accidentally, I mentioned it, and Mr. Robinson said he knew no reason, at that time, why that lot could not be taken. But I did not promise a carload. The manager referred to was acting in that transaction as an agent of a Western company, and not ours; and subsequently, because of the differences of gauge, requiring two transfers, we decided that our interests would not be advanced by taking spasmodic lots, in the absence of all arrangements,—such as way-billing, proportions of rates and expenses, quick transit, etc., which were needful to ensure the satisfactory movement of the property. If Mr. Robinson proposed or assented, at two other times, to a like policy, it is unknown to me, and I regret that his willingness and policy, being so unmistakable and repeated in his own mind, was not committed to paper, that he might refer us to dates, and consistently say he is still willing to abide by it. However that may be, it seems to me, the pertinent question for you, Mr. Chairman, and for me to ask, is, Why, if on his own statement he had three times assented to what is now asked, when the physical difficulties rendered such assent practically nugatory, does he now decline the same or any neutral assent when those difficulties are, or can and will be removed, and the united companies stand here ready to close a definite and permanent arrangement. That he claims to have thrice assented, but does not now assent, has been clearly shown, with the assigned reasons. The past is irrelevant; we are dealing with *now* and why has he changed? It seems to have been developed, that my earlier surmise that the New York Central Company has laid down the threatening alternative is already established. It would, therefore, appear, that the fault in all the legislation and expenditure of the State, relating to the Hoosac Tunnel has been, that you did not get the prior assent of the New York Central Company to utilize it after it was completed.

You have spent your money, time, and efforts to provide an alternate outlet and inlet, and when that great result is reached, what is it? Why, from the gentleman's remarks, it would seem that you have kindly spent fifteen years of time and fifteen millions of money to generously provide an alternate outlet for the New York Central alone, with which, if so disposed, that company can play shuttlecock and battledore backward and forward between the Boston & Albany and Tunnel routes, capital and interest always to its advantage, but how much to yours or theirs has not been shown.

Mr. Chairman: Such arguments may appeal to the fears of individual capital and interest, but when addressed to a State, should be met as becomes a Commonwealth which was the first to resist a tea tax, and it should meet this in the same way, and monopoly should be thrown over. The works of the State should be thrown open to the world on judicious, equal terms, and freed from possibility of dictation. If, then, the threatened withdrawal takes place,—which need not be feared,—you will at least know where you stand; which you do not know while the alternative is impending, and you will secure the desired parallel and continuous rivalry from and to all points.

Mr. Robinson has asked your Committee, Mr. Chairman, to free him from that responsibility. I believe him to be sincere in that wish, and I hope, as he apparently does, that you will unhesitatingly assume it, and throw your gates open alike to all who are entitled to traverse the premises. The Fitchburg Company seems to have assumed the alternative for itself, and no withdrawal or diversion has followed, nor should follow, nor do we wish it to follow. I have explained, and now repeat, that President Dickson did not believe the contract applied to business from or to our road. I will dismiss that part of my friend's answer with the suggestion that the Chairman can verify that fact by a telegram to him.

Mr. Robinson says that he said to Mr. Dickson one cent per mile was as little as he wanted to take our freight for; but he did not say so to Mr. Vanderbilt or any of his freight lines, and there, in compact space and essence, lies the whole discrimination, argument and answer.

Q. (By a member of the COMMITTEE.) Will you allow me, Mr. Blanchard, to ask a question. If I understand correctly, this line of the Albany & Susquehanna is a road of exceedingly difficult grades?

(Mr. BLANCHARD.) I have never been over the road but once, but I understand they have some grades.

Q. The freight has to be raised over a rise of 2,000 feet?

A. That I cannot say. I only know generally that they have some pretty heavy grades.

Q. Do you know how much in level roads 100 feet of rise is equal to?

A. No, sir; I am no engineer. I could not answer you.

Q. Do you think that with 53 miles additional distance (if I understand the lines correctly, and the equivalent in distance which those difficult grades are equal to, that you have to pass over on the Albany & Susquehanna road),—do you think, that, with that additional distance, you can successfully compete with the New York Central road, which is level?

A. I think so, because upon a large portion of our business we have a shorter line. For the oil business, it would be shorter. I mean that, taking the average of all the traffic, we could do it successfully.

Q. But for Chicago it is 70 miles farther.

A. No, sir. The difference of distance to Buffalo is the same as to Chicago and all points reached via Buffalo.

Q. Is not the reason that the New York Central is able to compete with that 120 miles of additional road that you speak of solely because their grades are more favorable than those of any other lines?

A. No, sir; we think not. The New York Central pays \$3 or more for coal. There are a great many conditions to enter into the cost and ability for the transportation of property. The coal mines being upon the line of our own road, where we buy our coal very much cheaper than our friends to the north of us, we are able to transport freight over longer distances at the corresponding rates.

Q. Can you give me the difference in the cost of the coal?

A. No, sir; except that the transportation will make a difference in the cost that will approach 70 cents to \$1 a ton.

Q. (By the CHAIRMAN.) Mr. Blanchard, I understand this: that all your railroad wants is that the line called the Hoosac Tunnel line from Troy shall be thrown open to you, without any discrimination.

A. I will not say that it is *all* we want. What we do want is not admission to the Hoosac Tunnel Freight Line, for that is impracticable; but to the Hoosac Tunnel and road.

Q. That is the principal thing; if your line can be brought into contact with this system, and you can use it without discrimination against you, upon the same terms as the New York Central, and all the other roads in the United States, that is the principal thing that you are after?

A. Yes, sir.

Q. That the only reason now why you cannot use it, is, that the Troy & Boston Company has practically made a discrimination?

A. Yes, sir.

Q. How would you get from Albany up to Troy at present? How would you make a connection with the Troy & Boston road, provided the Troy & Boston Company made no discrimination?

A. The Delaware & Hudson runs to Troy as well as Albany.

Q. Then, if by virtue of laws being passed by the Legislature, or otherwise, it could be permanently fixed that you, from Troy to Boston, should have the right of running over this line, at the same rate and on the same terms as any other railroad company do have, your principal desire would be met, the object would be accomplished, would it not?

A. That object of the Erie Company would.

Q. And it would not be necessary to organize a corporation that is contemplated by this bill?

A. No, sir; not for that result alone.

Q. (By a member of the COMMITTEE.) What other object did you have? I understand that you do not want the monopoly of it; you had rather the New York Central should compete. You cannot carry passengers from Albany to Troy now, can you, in Pullman cars?

A. I am not familiar enough with the details of the sleeping cars on that line, to be able to state. I suppose the Albany & Saratoga road has left its line open to all comers in that regard. I believe cars are running now from Carbondale, in the coal regions, to Saratoga. I think it is the cars of the company, and they run some Wagner cars, and some Pullman, I think.

Q. (By the CHAIRMAN.) Then, if this whole route through to Troy is thrown open, by virtue of a law, or in some effective way, to your railroad, on precisely equal terms with any other railroad, you would not say that there was need of further legislation under this bill or otherwise?

A. Looking only to the interests of the Erie Company, and separating myself from this proposed line as a director, and ignoring its future relations to Lake Ontario, and whatever there may be withal, I should say that accomplished the principal desire of the Erie.

Q. So far as your road is connected?

A. Yes, sir.

Q. That is to say, you would send just as much freight if the bill was arranged in that way?

A. Yes, sir; if they put car for car in our line, pay the corresponding part of the expense, give us equally good time for our pas-

senger and all other cars, and put their road just as much at our service, in every respect, as at the services of any other road.

Q. You mean you should be just as independent as any other route?

A. Yes, sir.

Q. Now, do you believe that the New York Central and Erie would freight over the same line?

A. We do all over the West, and it would not be our fault if we did not here.

Q. What do you think in regard to the East? Suppose this line should be given up to your freight, would the New York Central refuse to use it?

A. I believe they would not, sir, under any circumstances whatever.

Q. Now, you spoke of this association called the United Lines, west of the Hudson River; what are these United Lines?

A. I only used that figuratively. I only mean our lines, and the Delaware & Hudson Company's.

Q. Then it is not an association, as the term would imply?

A. No, sir.

Q. Can you tell the cost of carrying the freight per ton per mile by rail?

A. No, sir; and nobody else can accurately, no matter how much they may pretend to do it.

Q. The amount has been given to us several times, and I wanted to know what you thought about its correctness.

A. It differs with everything that enters into the cost of running a railroad. The amount of salaries paid the president, officers and employes, the cost of culverts and embankments, and the amount of curvatures, and how much it costs to pump water, for coal, labor, material, terminal facilities, taxation, and everything else that is expenditure or represents it actually or comparatively.

Q. In your opinion it is impossible to fix the actual cost?

A. Absolutely impossible with precision, although close approximations may be and are reached annually by all companies.

Q. You spoke of the salaries of the president, etc. Can you fix the actual cost of running a train; *i. e.*, the expenses that enter into the actual cost of running these freight trains and carrying the freight?

A. It is almost impossible to do that; the usual estimates include every sort of expense, but vary—as, to be exact, it would be proper to divide the salary of a president according to the time he devoted to each department.

Q. We have it in print, given with the nicety of so many mills per mile, and suppose whatever is in print must be correct of course?

A. Absolute correctness is entirely out of the question.

Q. You mean to say that no matter whether the line is longer or shorter, you can deliver to the said line upon the same terms as the New York Central or any other company?

A. We will undertake to do it.

Q. Your argument is, that it makes no difference to us in Massachusetts whether you have to carry 50 or 500 miles farther; if your route is longer, that is your lookout?

A. That states exactly my view. Not only that, but we are doing it; taking freight away from the Pennsylvania road, over a road longer than theirs. Have done it for years, and expect to continue it.

Q. How much Boston freight have you brought from the West during the past year?

A. I could not tell you without having a statement prepared.

Q. By what route do you send it?

A. By way of Providence, and the Metropolitan Steamship Company outside; mainly the latter.

Q. (By Mr. WINN.) The New York Central to Chicago has the benefit of lesser grades, I suppose, and of a shorter distance, has it not?

A. Yes, sir.

Q. And your price of coal, and what else?

A. That is about all, sir; but it is very great.

Q. You hinted that there were some other things that you wanted.

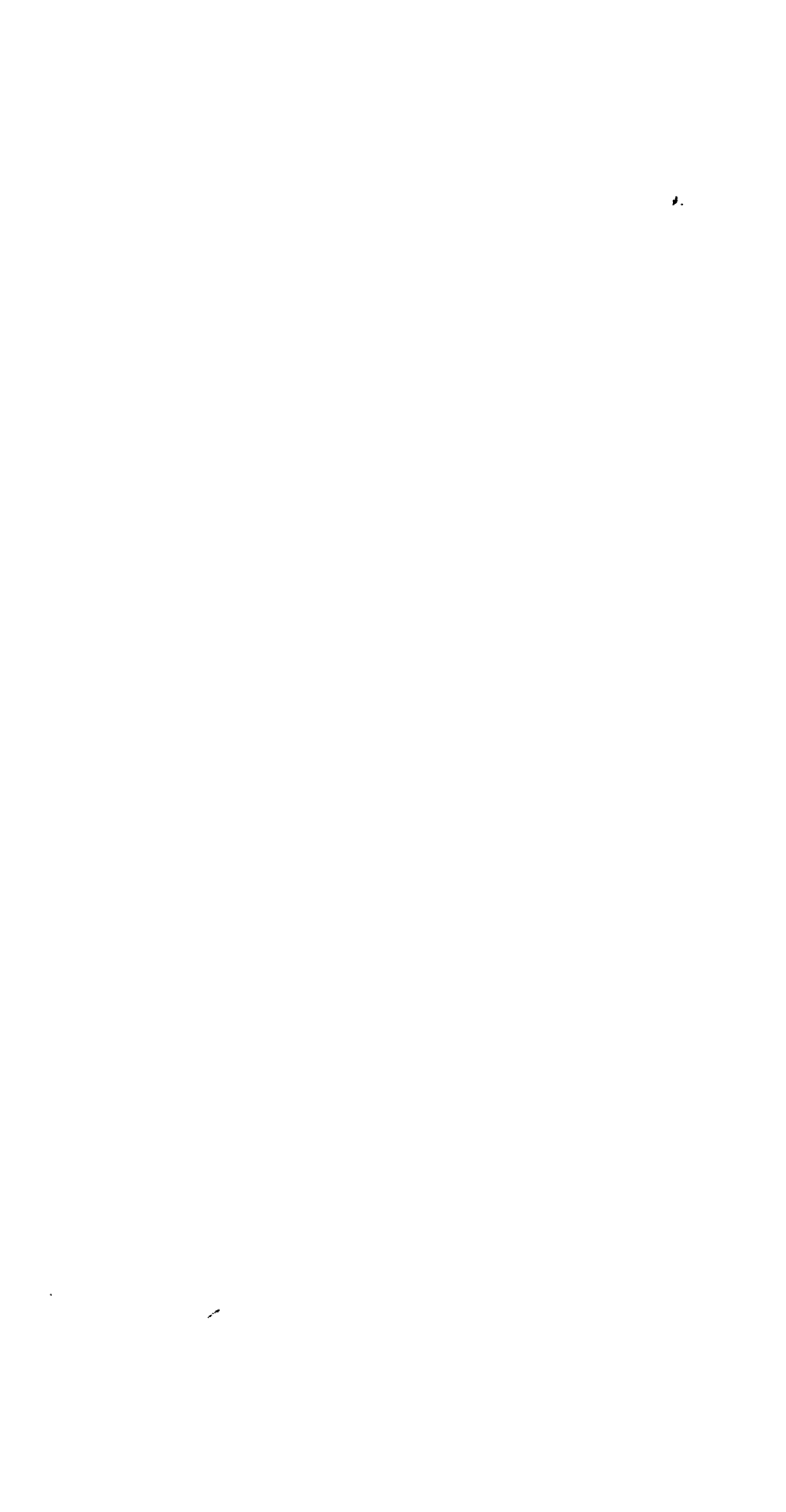
A. I stated them subsequently.

Q. When the Poughkeepsie line is built, can you tell me how it will affect you?

A. I cannot. Generally, it is supposed to diverge to our line above Goshen. I don't know with certainty.

Mr. BURR. The case of the petitioners, as far as the evidence is concerned, is now closed.





HE 2771 .M4 A35
Petition of the Boston, Hoosac
Stanford University Libraries



3 6105 041 576 096

For
USE IN LIBRARY
ONLY
DO NOT REMOVE
FROM LIBRARY

